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SERIALS DIVISION

Washington Mayor Arrested In a Drug 'Sting' Operation

The Associated Press

WASHINGTON — Mayor Marion S. Barry Jr. appeared Friday before a federal magistrate on a misdemeanor narcotics charge stemming from a federal sting operation. Law enforcement officials said he was videotaped in a downtown hotel buying and smoking crack.

The magistrate ordered Mr. Barry to appear for a status hearing Feb. 5 and required him to submit to drug testing every Monday.

His attorney, R. Kenneth Mundy, told the magistrate that Mr. Barry wanted a jury trial and waived his right to a preliminary hearing.

Mr. Barry turned over "the duties and functions" of his office to an aide Friday. He did not give up the office, which he has held for 11 years.

In court papers, prosecutors said tests conducted on blood and urine samples taken from the mayor after his arrest Thursday night "showed evidence of cocaine ingestion."

Mr. Barry was in court for 10 minutes. He spoke his name and swore to appear at the hearing.

He was not asked to enter a plea to the charge of possessing a controlled substance — in this case crack, a potent form of cocaine. The charge carries a maximum penalty of one year in prison and a fine of $5,000.

The mayor has repeatedly denied that he uses drugs, and his attorney said he would plead not guilty to the charge.

City officials said Mr. Barry's plans to begin his campaign for a fourth term on Sunday were being postponed indefinitely. Four current or former city officials already were lined up to run against him. The Reverend Jesse Jackson, the former Democratic presidential candidate who has campaigned against drugs, fueled speculation that he would run for mayor when he moved to Washington last year. But more recently Mr. Jackson has said he would not challenge Mr. Barry.

U.S. Attorney Jay Stephens said after the hearing that the undercover operation had been "scrupulously fair" and that the mayor had not been entrapped. "Where there is predisposition," he said, "there is not entrapment."

"Mr. Barry put some of the crack cocaine in a smoking apparatus, lit the crack cocaine and smoked it," an FBI agent, Ronald D. Stern, said in an affidavit.

Agence France-Presse

Mayor Barry and his wife, Effi, leaving home Friday on the way to U.S. federal court.

Beyond Politics, a Tragedy

By Richard Cohen
Washington Post Service

WASHINGTON — It's 11 at night and I have the Reverend Jesse Jackson on the phone. The mayor of Washington, Marion S. Barry Jr., has just been arrested on a drug charge and Mr. Jackson is uncharacteristically speechless: "I'm just too stunned to talk about it. The ramifications are so great."

The arrest of Washington's mayor is a stupendous event. Even more stupendous is Mr. Jackson's engaging in understatement. "Ramifications?"

Well, let's start with Mr. Jackson himself. He is now a resident, having moved to Washington from Chicago. Even as the carpenters were preparing the new place, some Democrats were cobbling together Mr. Jackson's future: He would run for mayor of Washington and show that he had, in addition to the gift of gab, administrative ability.

In newspaper columns and cocktail party chatter, Mr. Jackson's election was a fait accompli. He would run, he would win and, come the presidential primary season, the Democratic Party would not have to contend with Jesse Jackson.

COMMENTARY

Only two things stood in Mr. Jackson's way. The first, of course, was Mr. Jackson himself. Charisma, he knows, cannot fill potholes and that mundane task is the obligation of a mayor. He must snip ribbons, decide zoning matters, prepare budgets and take his lumps in the war on drugs. Brilliant mayors come out of places like Indianapolis. Really big cities chew up their mayors. Ask Edward I. Koch, the former mayor of New York.

The second obstacle was Mr. Barry. Like Mr. Jackson, he had come up through the civil rights movement. Unlike Mr. Jackson, he had gone into electoral politics, first the District of Columbia school board, then the mayoralty. Mr. Jackson and Mr. Barry belonged to a rather small fraternity of major black political leaders, and Mr. Jackson said he would never take on his friend.

But his friend was coming apart. Like the aftermath of a bad accident, the disintegration of Marion Barry was both an appalling and engrossing sight. By degrees and with cockiness, he proclaimed himself a womanizer. He designated himself Mayor of the Night, a never-sleeping, partying animal for whom no element of society was beyond the

See MAYOR, Page 5

Soviets Storm Baku, Leaving Many Dead And Wounded

By David Remnick
Washington Post Service

MOSCOW — Soviet troops opened fire on nationalists in Baku, capital of the southern republic of Azerbaijan, on early Saturday, killing and wounding many people, reports from the area said.

[A spokesman at the headquarters of the nationalist Azerbaijan Popular Front was quoted by Agence France-Presse as saying: "There is firing everywhere. The population is trying to block the way by setting up cars across the roadway. All our people are in the street."

[Another spokesman for a nationalist movement was quoted by Reuters as saying that the troops moved into Baku by land and sea shortly after midnight and began smashing blockades that Azerbaijanis had put up to keep them out.

["They pushed right through the blockades with tanks," the spokesman said by telephone from Baku. "People started resistance right away." He added that there were many dead and wounded.]

The Soviet government had warned that the turmoil in the two republics could escalate into a "national catastrophe," and President Mikhail S. Gorbachev blamed "adventurists," black marketeers and Islamic fundamentalists for the unrest.

Earlier, both Baku and Yerevan, capital of the neighboring republic of Armenia, had reportedly been shut down by strikes and rallies.

Unrest also worsened along the Iranian border. Despite checks by border guards, Azerbaijanis brought weapons across the border from Iran, the government daily Izvestia reported. It appeared the Azerbaijanis were using the weapons to fight Armenians.

Over the last 24 hours, several thousand Soviet Azerbaijanis crossed into Iranian Azerbaijan while 1,000 Iranians crossed into the Soviet Union, Tass said.

Muslims living near the Soviet-Iranian border have staged huge demonstrations in recent weeks, demanding free passage across the border and, in some cases, unification of southern Azerbaijan and northern Iran as a separate state.

In Moscow, Mr. Gorbachev, speaking at a congress of workers and intellectuals here, said, "These tensions benefit a small group of extremists, adventurists and representatives of the shadow economy, who are robbing both peoples."

"Perestroika reforms are like a thorn in their flesh," he added.

Mr. Gorbachev said that his government planned to do "everything possible" to put an end to the fighting. He said "extremists" in Azerbaijan tried to "befuddle people's minds" by blaming Moscow for their problems.

Garri Kasparov, the world chess champion, has a narrow escape from Baku. Page 2.

The Soviet news agency Tass said, "A new wave of hostage-taking has swept Nagorno-Karabakh," the mainly Armenian enclave of Azerbaijan that is at the heart of the conflict. It added that fighters from both ethnic groups were massing on its borders.

Soviet television reported earlier Friday night that crowds in Baku had besieged the Communist Party Central Committee headquarters, and those of the radio and television station, which had stopped broadcasting.

The crowds were demanding the resignation of the republic's leadership and the withdrawal of troops, Tass said.

A spokesman for the Council of National Defense, Faud Agayev, said the Communist Party leadership had lost control in Azerbaijan.

"We control the situation all over the republic," he said. "Our checkpoints are on duty on all roads. The absolute majority of the people follow the orders of the Popular Front."

Battles raged on the borders of Armenia and Azerbaijan, as combatants shelled villages on both sides, Tass reported.

In Nagorno-Karabakh, armed bands seized four Soviet soldiers in the town of Susha, according to news reports. Susha is dominated by ethnic Azerbaijanis.

Mr. Gorbachev admitted that tension in the two republics had not eased despite the presence of 24,000 Soviet troops.

In an announcement read on an evening television news program, Tass said Moscow was sending more troops to the republics to deal

See SOVIET, Page 2

The Front Line: Shootout and Standoff at Armenian Village

By Michael Dobbs
Washington Post Service

YERASHKHAVAN, U.S.S.R. — Nestled in the shadow of Mount Ararat, the symbol of the Armenian nation, this once peaceful winegrowing village was transformed on Friday into the front line of the Soviet Union's most brutal and intractable ethnic conflict.

On the outskirts of the village, several hundred meters from the border between Armenia and Azerbaijan, huge trucks had been transformed into a barricade to prevent an Azerbaijani attack. Hundreds of Armenians armed with rifles and shotguns waited behind the trucks, retreating nervously at the sound of incoming mortar fire and bursts of automatic rifles from the neighboring Azerbaijani village.

Yerashkhavan, an hour's drive south from the Armenian capital, Yerevan, was the scene Thursday of one battle in the putative civil war between Armenia and Azerbaijan.

During a shootout that lasted six hours, two Armenians were killed and four seriously wounded. The toll on the Azerbaijani side was not known.

Fog hung over Yerashkhavan on Friday, cutting visibility in the valley to a couple of hundred meters.

But on Thursday, the sky was clear, and villagers were able to see white-camouflaged figures on the opposite hillside firing round after round from automatic rifles and mortars.

There was a battle near the village wine factory, where at one point a group of 100 or so Azerbaijanis advanced to within about 140 meters (450 feet) of the Armenian line.

The dispute between Christian Armenians and Muslim Azerbaijanis for control of this corner of Transcaucasia is centuries old. It flared up again over the last year as both sides took advantage of the freer political atmosphere granted by the Soviet leader, Mikhail S. Gorbachev, to voice grievances and restate territorial claims.

In an attempt to stop the fighting, the Kremlin has imposed a state of emergency on many of the border areas and sent thousands of troops to the troubled region.

But the Soviet Army appears to be overwhelmed

See BORDER, Page 5

Kiosk

U.S. Welcomes Soviet Cutback

WASHINGTON (AP) — Bush administration spokesmen welcomed the withdrawal of some Soviet MiG-23 and Tu-16 warplanes from Cam Ranh Bay in Vietnam and said Friday that Defense Secretary Dick Cheney would discuss possible responses when he visited U.S. allies in the Far East next month.

The State Department spokeswoman, Margaret D. Tutwiler, said U.S. officials "anticipate that less Soviet military involvement in Southeast Asia would contribute to regional stability."

AP/1977

Arthur J. Goldberg, the former U.S. Supreme Court justice, died at 81. Page 5.

General News

The U.S. urged airlines not to publicize security threats against their flights. Page 3.

Business/Finance

Japan's trade surplus plunged by more than 15 percent in 1989. Page 9.

Crossword Page 5.
Weather Page 2.

Dow Close
Up 11.52
2,677.90

The Dollar in New York

DM	1.7115
Pound	1.6455
Yen	146.00
FF	5.813

Gingrich Assails Bush Over China

By David S. Broder
Washington Post Service

WASHINGTON — The second-ranking House Republican, expressing strong disagreement with the Bush administration's "inexplicable" China policy, says that "the vast majority" of congressional Republicans will repudiate that policy in a test vote next week.

The House minority whip, Newt Gingrich, Republican of Georgia, said he had advised the White House that Mr. Bush's late 1989 veto of a bill allowing Chinese students to extend their stays in the United States rather than go home to an uncertain fate will be overridden when Congress returns next week.

"I told them, 'Accept the loss. It is not a big deal,'" he said.

The White House press secretary, Marlin Fitzwater, said that despite the recognition that "this is an uphill battle" the president "feels this is a veto that should be sustained." He added, "It's worth working for."

The measure was passed last November — 403 to 0 in the House and by voice vote in the Senate — after the bloody suppression of student protests in Beijing raised concerns about the risks to Chinese students in the United States, many of whom had publicly supported the pro-democracy movement, if they were required to return home.

In his veto message, Mr. Bush cited the possibility that the law would jeopardize exchange programs and U.S.-China relations.

House Democrats plan to bring up the veto Wednesday, the day after Congress reconvenes, in hopes of administering a political defeat to the president at the start of the new year.

A debate has been taking place within the administration on whether Mr. Bush should join the battle and raise the stakes, or quietly acquiesce in the near certainty that his veto will be overridden.

Despite contrary urgings, Mr. Fitzwater said "the president's atti-

See POLICY, Page 5

Crucial Grain Harvest Is a Record, China Says

By Sheryl WuDunn
New York Times Service

BEIJING — China's recent grain harvest, one of the most closely watched indicators of the nation's well being, has set a record, slightly exceeding the level of 1984, the government announced Friday.

The excellent harvest may ease economic difficulties, including a slowing of industrial production and a shortage of foreign exchange.

Grain production has been regarded as a crucial test of economic performance, and the country's leaders may try to gain prestige and legitimacy by pointing out the record harvest.

The official English-language China Daily said grain production in 1989 had reached 407.9 million metric tons, or about 600,000 tons more than in 1984. Two months ago, the government had estimated that production for the year would be about 400 million tons.

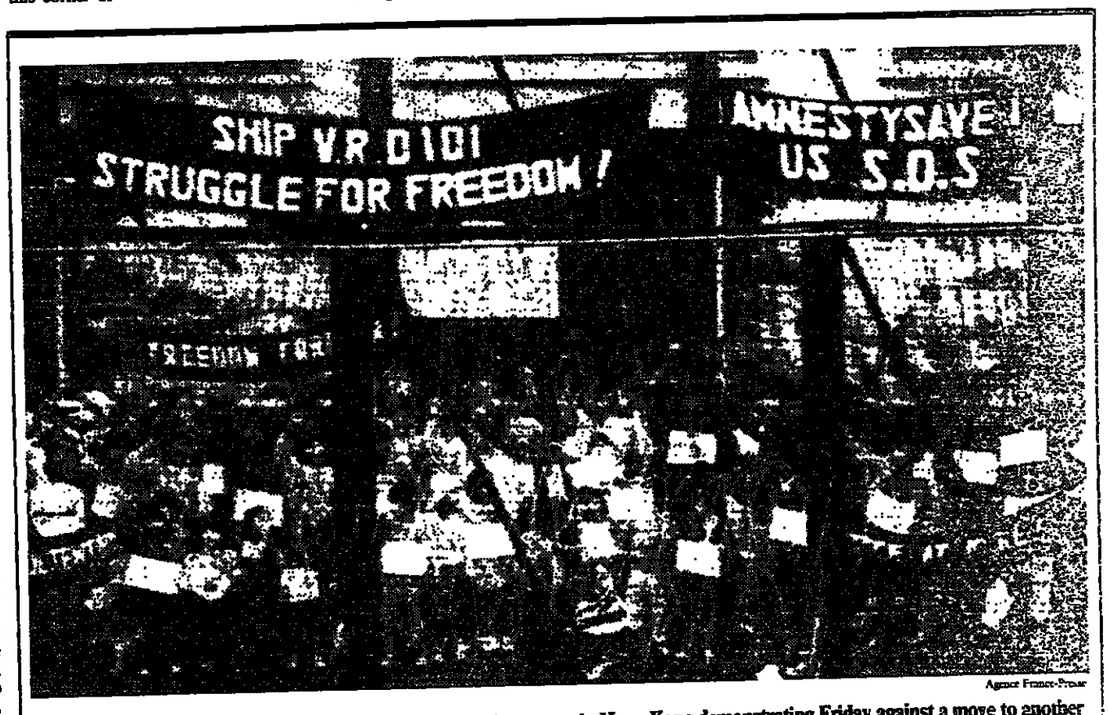
Foreign diplomats and other analysts are not certain how reliable the figures are, but the majority view is that they are probably accurate.

China Daily also said the government would send a million scientists, researchers and teachers to the countryside "to guarantee an output increase" in farm production. The paper did not explain how they would guarantee the increase, whether they would go voluntarily or how long they would stay.

Although last year's harvest was only slightly better than that of 1984, it was an important one for the government, particularly to bolster morale after the military crackdown on the pro-democracy movement in June. The record harvest will also save the government foreign exchange, by reducing grain imports.

A crucial test for the government was whether it could finance the harvest by paying cash, rather than issuing debt acknowledgments to farmers, as had happened before, especially in late 1988. The government financed purchases of the

See CHINA, Page 5



Agence France-Presse

FENCED-IN FURY — Vietnamese refugees in a detention center in Hong Kong demonstrating Friday against a move to another camp. Two refugees at the other camp protested their planned repatriation by attempting suicide in a United Nations office. Page 2.

Nagasaki Shooting Casts Light on Far Right's Ties to Crime

By Steven R. Weisman
New York Times Service

TOKYO — A 40-year-old ultranationalist arrested in the shooting of the mayor of Nagasaki was said by the police Friday to be from a shadowy group involved in blackmail and extortion from businesses as well as militant activities in the name of the emperor of Japan.

The suspect, Kazumi Tajiri, was identified as one of the leaders of a group called Seiki Juku, variously translated as Spiritual Justice School, or Righteous-Minded Academy. The group is one of several hundred small and scattered far-right groups throughout Japan. Mr. Tajiri continued to be questioned Friday by the police in Nagasaki but was not yet charged.

He was being held in connection with the shooting Thursday afternoon of Hitoshi Motoshima, the mayor of Nagasaki, who has been the target of protests and death threats after saying a year ago that the late Emperor Hirohito bore some responsibility for World War II.

The shooting episode has shaken Japan, but with new details disclosed Friday it was also casting unusual light on the way that far-right fanaticism — a longtime feature of Japanese society with roots in the disgruntled samurai class at the end of the 19th century — has evolved in recent years.

There was widespread agreement that the rightist views glorifying the emperor did not represent more than a tiny fraction of general Japanese sentiment. Nonetheless, the shooting episode was taken as a reminder that this small group had the power to shatter a nation's calm.

Among the emerging details were focused on what police experts said are longtime links between militant far-right groups generally and organized crime groups, known as *yakuza* or *boryokudan*, engaged in blackmail, intimidation and the smuggling of drugs and guns.

Many specialists said they saw the shooting of Mr. Motoshima as less the expression of a political sentiment than of a brazen effort by an underworld gang to build its reputation for violence.

"What you have are these yakuza groups pretending to be patriots," said a retired police official involved in investigations in such matters. "They use right-wingers' names or titles to disguise themselves and give them some politically decent flavor."

Others took a different view, saying the ultranationalist groups represented a dangerous trend in Japan toward a far-right political mentality that glorifies the institution of the emperor, makes no apologies for Japan's military expansion of the 1930s and has a low regard for dissent.

The Asahi Shimbun, for instance, labeled the assassination attempt "a barbarous challenge to freedom of speech" and said that it "reminds us that our society still remains vulnerable to a nightmare of terrorism against freedom of speech."

The Asahi Shimbun has been itself a longtime target of rightist attacks, with ear-splitting sound trucks, in a favorite tactic of rightist groups, occasionally descending on its offices to protest editorials questioning far-right ideals.

Two and a half years ago, a reporter for the newspaper was killed and another was critically wounded by a masked attacker who opened fire with a shotgun. Until the attack on the mayor on Thursday, the shooting of the reporters had been the most prominent recent violent action by a far-right group in Japan.

Some of the news coverage Friday focused on another aspect of the political implications of the Nagaski case.

The recently retired senior official said that there was some evidence that far-right groups, with their sound trucks and protesters, were sometimes employed by the members of the governing Liberal Democratic Party, which has a strong conservative faction, to harass their political opponents.

It was also pointed out in news analyses that conservative members of the Nagasaki legislature said last year that the large security detail protecting Mr. Motoshima was a waste of taxpayers' money, and that in response the mayor asked that the police detail be cut back last December.

After he made his comment in December of 1988

See JAPAN, Page 5

As Bonn's Welcome Cools, East Germans Rush In

By Serge Schmemann
New York Times Service

GIESSEN, West Germany — Thomas Dierkes had marched in each of the weekly Leipzig demonstrations. He had defiantly chanted "We are the people!" at the old East German government. And he had celebrated when the Berlin Wall came down.

Now the 31-year-old worker sat sipping beer with his wife and toddler in the West German reception camp here for East German immigrants.

He had waited for change, he said, but with the Communists still in office, the opposition uncertain and the economy unaltered, he concluded that waiting was not good enough.

He left, joining thousands of his countrymen — many of them workers like himself — who have concluded that for all the changes in East Germany, it will be too long before their lives improve.

Since the New Year, they have been leaving at the rate of about 1,600 a day, dismaying politicians in East and West who had hoped that the frenzied flight of last fall would drop off with the promise of free travel and free elections.

About 340,000 fled last year, but at the current rate — 25,550 had left as of Tuesday — many more might arrive this year. The number of ethnic Germans arriving from elsewhere in Eastern Europe, about 350,000 last year, could also soar; about 220,000 ethnic Germans are now free to leave Romania.

It is a vision that has alarmed West Germans. Increasingly, there are calls to roll up the welcome mat. And the diminishing welcome has only served to speed the exodus.

"We tried to change things our way, through demonstrations every Monday," Mr. Dierkes said in the thick Saxon accent of the Leipzig worker.

"We saw progress — the borders opened, there were attempts to get the Communists out of power," he said. "We waited for more. But then, we saw that the Communist Party was still in power, that the secret police were still there, that everything was staying as is. The opening of the border was just opening a pressure valve.

"We saw that groups like New Forum wouldn't take responsibility. That discouraged us. From the beginning they said they didn't want to take part in the government. When they drew back, we lost our faith in them. Who can take charge? We're not educated people. We can't do it ourselves. But if educated people can't take charge, we'll seek our well-being through flight. I can tell you that 80 percent of the people here think as I do."

Last fall, East Germans fled through Hungary and Czechoslovakia, and West Germans greeted them with tears and outbursts of generosity. Those refugees fled through cracks in a wall that had been all but impregnable for decades.

The people in Giessen were different: They chose to leave two months after restrictions on travel were lifted, after they had visited West Germany and had heard appeals from both sides not to go.

Mr. Dierkes, like many others in the West German camp, had come beforehand to do some scouting. His decision was not spontaneous or desperate.

"I came over to look around in November," he said, "and decided then I didn't want to come. If I could travel, I didn't have to resettle, I thought. What decided it for us was that life was not getting better, and we didn't see much chance that it would anytime soon."

What helped the decision was that half the workers at Mr. Dierkes's enterprise, a warehouse for medical glassware, had already gone. "It's an endless spiral," he said. "Many doctors and nurses left, for example, but the health-care services would not raise the pay for those who stayed and were totally overworked. So they also leave."

All around the camp, a bleak cluster of four-story houses next to a railroad station, the stories were the same.

Pay was one reason for the departure of Hannelore Hildebrandt, 47, a secretary. She was making 550 East German marks a month, about $325, and her rent was 92 marks. "Now they want to raise the rent to 300," she said, "so I thought I might as well start over here."

2 Refugees Attempt Suicide in Hong Kong

The Associated Press

HONG KONG — Two Vietnamese refugees facing forced repatriation entered the United Nations office Friday at their detention camp and attempted suicide, a UN official said.

They were carrying sharp objects, apparently knives, and stabbed themselves in the stomach, the official said.

The two men, aged 20 and 25, were hospitalized, a government spokesman said. One man was discharged and the other was in satisfactory condition, the spokesman said.

"They just walked into the office, said they were going to do it and did it," said Anne Dawson-Shepherd, deputy chief of mission for the UN agency in this British colony. "I think this all happened extremely quickly."

The two had been classified by immigration officers as illegal immigrants seeking a better standard of living instead of political refugees, and their appeal to remain in Hong Kong had been denied, Ms. Dawson-Shepherd said.

A UN field assistant and an interpreter were in the office during the incident. It occurred at the Whitehead detention center, one of several camps housing a total of 44,000 Vietnamese who face repatriation against their will unless they can prove that they had fled persecution in their homeland.

Also Friday, about 100 Vietnamese at the Sham Shui Po detention center in Kowloon protested being moved to Whitehead.

Whitehead and the other cramped, squalid centers have been tense since Dec. 12, when 51 detainees were escorted to an airplane by security forces and repatriated to Vietnam.

Thousands of Vietnamese in Hong Kong detention centers have peacefully protested the forced repatriation policy, although rioting broke out in one camp when security forces attempted a check for homemade weapons.

WORLD BRIEFS

Britain Revamps Local Tax System

LONDON (AFP) — The House of Commons passed a government bill Friday that will change community taxes from being based on the value of property to being based on the number of adults living in a home.

The change, which has been under preparation for four years and will go into effect in April, has been hailed by Prime Minister Margaret Thatcher as the "flagship" of her tax legislation. She has argued that the annual per capita tax will be fairer, making everyone share in the burden of paying for community services. The legislation was designed originally to counter overspending by big-city councils dominated by the opposition Labor Party.

There is evidence that taxes will rise even in towns run by thrifty conservative councils. The government has said the average individual contribution will be £278 (about $460) a year. The Chartered Institute of Public Finance and Accountancy has countered that the figure will be £330 to £344.

Israeli Jets Attack PLO Radio Station

SIDON, Lebanon (AP) — Israeli jets fired rockets at a PLO radio station and at guerrilla bases of the Iran-backed Hezbollah, or Party of God, in separate raids Friday in southern Lebanon.

The police said that at least five persons were killed and 12 wounded in the attacks on the radio station, which is in a refugee camp near Sidon, and on the Hezbollah bases in villages farther south. The two transmission aerials of the radio station were destroyed. Two more persons were reported missing after the raid on the station.

A police spokesman said the Palestine Liberation Organization intended use the station starting Feb. 1 to broadcast programs to Palestinians in the Israeli-occupied West Bank and Gaza Strip.

Gabon Prime Minister Bans Protests

LIBREVILLE, Gabon (AFP) — Prime Minister Léon Mébiame announced a ban on protests Friday and clamped a curfew on the Gabonese capital as looters raided Lebanese shops in the wake of a series of student rallies.

Mr. Mébiame said Libreville residents would have to stay indoors from 7 P.M. The mainly youthful rioters attacked stores and smashed cars. The violence appeared to have spread beyond the student unrest that has affected Libreville in recent days, according to witnesses.

Lebanese storekeepers run much of the small retail trade in Gabon and several other West African countries. The Lebanese ambassador in Libreville said that about half the Lebanese shops had been raided, and that losses amounted to about $17.6 million.

U.S. Frees Most Detainees in Panama

QUARRY HEIGHTS, Panama (NYT) — U.S. military officials have announced that out of a total of 5,300 Panamanians who had been detained for questioning since the U.S. invasion last month, nearly all had been freed.

Most of the detainees were released in increments of several hundred a day since December 1989, and more than 250 were released Wednesday, the officials said Thursday. The officials said that about 130 persons, most of them loyalists of the former Panamanian leader, Manuel Antonio Noriega, remained in U.S. custody, and that a small number had been sent to Panamanian jails.

Of the 130 detainees, about 100 were said to be imprisoned at Fort Clayton, a U.S. military installation in Panama. The other 30 detainees are being held at the Empire Range, a U.S. rifle range serving as a detention center.

For the Record

The shuttle Columbia's California landing on Friday was delayed a day because of fog over the Mojave Desert, pushing the crew's satellite-rescue mission to a record-breaking 11 days. *(UPI)*

A man accused of kidnapping 3,000 Jews during World War II and transporting them out of Czechoslovakia has become the third émigré to be charged under Canada's war crimes act. Stephen Reistetter, 75, of Saint Catharines, Ontario, was arrested Thursday. *(Reuters)*

The 15 justices on the Venezuelan Supreme Court have unanimously indicted former Interior Minister José Angel Ciliberto on charges of misuse of government funds, Chief Justice Otto Marin Gómez said. The former minister cannot be tried unless the Senate votes to suspend his immunity. *(Reuters)*

Dominique Dadouble/Reuters

Armenians armed with grenade-launchers in the border village of Yerashkhavan before their attack Friday on Azerbaijani positions.

Iran Warns Moscow on Suppression Of Muslims

Reuters

NICOSIA — Iran warned Friday that unrest could spread rapidly in the Islamic world if the Soviet Union cracked down on Muslim Azerbaijanis.

The Iranian press agency IRNA said Moscow and the West were portraying the Azerbaijanis as the culprits in a week of clashes with Armenians that have brought the Soviet republic of Azerbaijan to the brink of armed confrontation with the central government.

"To prevent the situation from getting out of hand, it is advisable for all concerned to take heed that any kind of clashes in the Caucasus and their aftermath would spread like wildfire among the over 70 million Muslims in the Soviet Union and the more than one billion Muslims throughout the world," it said in a commentary received in Cyprus.

The Soviet government daily Izvestia said Iranian Azerbaijanis were supplying weapons to Soviet Azerbaijanis over pontoon bridges set up across the Araks River, along the two countries' border.

The Soviet leader, Mikhail S. Gorbachev, blamed extremists, adventurists and Muslim fundamentalists for the violence.

"The name of the game is to bait and incite," IRNA said, referring to "this mad rush of Western news agencies to portray the Azerbaijani Muslims as thugs and villains."

It said Western media and the Soviet agency Tass had focused on Armenian casualties and played down atrocities committed against Azerbaijanis.

IRNA said the media were in a "sinister plot" to put the Muslims of Azerbaijan under political pressure from "the Great Satan," the United States.

Somalia Assailed on Mass Deaths

By Neil Henry
Washington Post Service

NAIROBI — Fifty-thousand Somali civilians have been killed in the last 19 months during a campaign by government troops to quash several rebel movements threatening the 20-year rule of Mohammed Siad Barre, an international human-rights group has charged.

A report by the rights group, Africa Watch, compiled after six months of interviews with scores of refugees and witnesses to the violence in the East African country, says the Siad Barre government is in effect at war with its own people, slaughtering civilians suspected of supporting the rebel groups.

In Washington, Abdikarim Omar, Somalia's ambassador to the United States, described the Africa Watch report as "complete rubbish."

"Africa Watch is writing only what dissidents tell them," he said. "I can tell you with frankness that the government of Somalia does not kill its citizens. These are terrorists and bandits and the government has every right to protect the territorial integrity of the nation."

In recent years, Mr. Siad Barre's army and rebels of the Somali National Movement have engaged in sharp clashes in the north near the provincial capital of Hargeisa. The Africa Watch report claims that the government, increasingly frustrated in its attempts to defeat the rebels, has resorted to artillery and rocket attacks on civilian enclaves thought to be sympathetic to the rebels. This has resulted in heavy casualties.

The group also accuses the rebels of committing numerous human-rights offenses, including the execution of civilian and military officials of the Siad Barre government and abuses against Ethiopian refugees in Somalia.

The fighting, which has produced more than a half million Somali refugees, many of them in the deserts of northern Ethiopia, has spread in recent months to central and southern Somalia, where two other rebel groups, the Somali Patriotic Movement and the United Somali Congress, have been leading insurgencies.

Last fall, a report commissioned by the State Department charged that the Somali government was responsible for the deaths of at least 5,000 unarmed civilians in its war in the north.

Africa Watch's executive director, Rakiya Omaar, said Wednesday in London that his group's casualty figures included estimates of civilians killed in bombing and shelling attacks and those who have died of diseases and hunger attributable to government attacks.

For nearly two years, reporters and human-rights monitors have been denied access by the government to the regions of civil strife.

The Africa Watch report comes at a time of political instability for Mr. Siad Barre. Earlier this month, he dismissed his cabinet, blaming its members for failing to rectify the country's political and economic problems.

SOVIET:
Troops Open Fire

(Continued from page 1)

with the breakdown of law and order.

Soviet television showed footage of a rally in the southern city of Stavropol, where Mr. Gorbachev spent much of his early political life, at which parents of draft-age young men said they did not want their sons to fight in Transcaucasia.

A woman said: "We don't want to be seen by the nationalities down there as a foreign occupier. We don't want a second Afghanistan."

Apparently in response to the protests, military officials said the government would stop calling up reservists and would replace them with regular troops.

Many troops have been unable to reach their destinations because hundreds of Azerbaijanis opposed to what they see as Kremlin interference have blockaded airports and roads with trucks and buses.

Azerbaijani militants said they had rejected a demand by Communist authorities in the republic to withdraw the blockades.

Kasparov Describes Narrow Escape From Baku

Compiled by Our Staff From Dispatches

MADRID — Garri Kasparov, the world chess champion, says he and his family escaped violence against Armenians in his hometown, Baku, the capital of Azerbaijan, by flying to Moscow in a chartered plane.

"My departure was the stuff movies are made of," Mr. Kasparov told the Spanish daily El Pais.

"Just getting to the Baku airport, with the Azerbaijani rebel mobs trying to cut off roads, was an odyssey," said Mr. Kasparov, 27, the son of an Armenian woman and a Jewish father. "Some friends managed to send a chartered plane to Baku and I spirited away 60 people, including most of my relatives.

"I didn't feel safe," he said, "until I could hold my wife, who was waiting for me in Moscow, in my arms."

Frenzied fighting erupted this week between Muslim Azerbaijanis and Christian Armenians.

Mr. Kasparov said he blamed the Soviet president, Mikhail S. Gorbachev, for the violence.

"A month and a half ago I said in an interview with a British newspaper that the West had placed Gorbachev on a pedestal as a hero but that he didn't deserve it," he said. "For me, Gorbachev is a failure."

Asked about Armenians in Moscow who called Mr. Gorbachev a "criminal," he said, "for the first time in my life I'm going to shut up and not say what I feel.

"I could end up saying something barbarous because I'm still stunned by the atrocities I've seen in the last five days."

Asked if the violence could have been averted, Mr. Kasparov said, "Of course," and added:

"The problem of Azerbaijan and Armenia has been fertile ground for hate for centuries, irrigated for nine years by the propaganda of Iranian Islamic fanaticism and cultivated by Soviet conservatives to undermine Gorbachev, whose permissiveness has ended in tragedy.

"Everyone can decide for themselves, but what can one think of a government that has permitted such horrendous events?

"What you all saw on television is nothing compared to the inferno that I've just gone through," he said. "I didn't see what happened in 1915 when Turks killed thousands of Armenians, but now I sure can imagine it." *(AP, Reuters)*

U.S. and Soviets to Discuss Afghan War

By Steve Coll
Washington Post Service

NEW DELHI — The U.S. and Soviet foreign ministers plan to discuss proposals for possible political settlement of the civil war in Afghanistan when they meet in Moscow next month, according to U.S. officials.

But the officials denied that a significant reassessment of U.S. policy was under way. They said that even if the talks — between Secretary of State James A. Baker 3d and Foreign Minister Eduard A. Shevardnadze — were fruitful, no plan for a political transition aimed at settling the 12-year war was likely to emerge before the middle of this year.

"We're going to go into and out of that meeting with the same policy," said a U.S. official.

The U.S. commitment to supply weapons and other aid to the Muslim rebels battling the Soviet-backed Kabul government remain undiminished and will not be affected by the Moscow talks, the official said.

This week, a senior State Department delegation, led by Undersecretary of State Robert M. Kimmitt, was sent to South Asia. Mr. Kimmitt met with Afghan rebel leaders Thursday in Peshawar, Pakistan, before leaving for India. The delegation had stopped earlier in Saudi Arabia, a major source of aid for the Afghan rebels.

The U.S. officials said that the trip was designed to lay the groundwork for the talks in Moscow by soliciting views from parties to the Afghan civil war about a framework for a transitional period in which a permanent political settlement could be worked out.

Of the prospects for an agreement with the Soviets about Afghanistan, Mr. Kimmitt said Thursday, "I think that the Soviets are prepared to discuss this issue with us in good faith and in detail."

There are many obstacles to any comprehensive Afghan settlement. The rebel leaders are at odds with one another on ideological, tribal and ethnic lines; supporters of the rebels, such as Saudi Arabia and Iran, have antagonistic interests; and factions of Pakistan's political and military leadership have opposing views about the war.

RELIGIOUS SERVICES

COPENHAGEN

INTERNATIONAL BAPTIST CHURCH. English Speaking Worship at Kristuskirken, Bogosensagade No. 7. Each Sunday, 13:00 (1 pm). Tel.: 31 39 51 40.

DUSSELDORF

INTERNATIONAL BAPTIST CHURCH. English. s.s. 10:00, worship 11:05. Children's church and nursery. Meets at the International School, Leuchtenburger Kirchweg 2, D-Kaiserswerth. Friendly fellowship. All denominations welcome. Dr. W.J. Daley, Pastor, Tel.: 0211/400 157.

FRANKFURT

INTERNATIONAL BAPTIST FELLOWSHIP Frankfurt/Taunus, Sodenerstr. 11-18, 6380 Bad Homburg. Sunday evenings at 7:00. Call Dr. Terry Carter, (06121) 401241 or 523016.

HAMBURG

INTERNATIONAL BAPTIST CHURCH "OF HAMBURG meets at Ev. Freikirchliche Gemeinde Christuskirche, Suttner Str. 18, Hamburg-Altona. Bible Study 1 p.m. + Worship 2 p.m. Tel.: 040/820616.

HOLLAND

TRINITY BAPTIST S.S. 9:30, Worship 10:30, nursery, warm fellowship. Meets at Bloemcamplaan 54 in Wassenaar. Tel.: 01751-78024.

MUNICH

INTERNATIONAL BAPTIST CHURCH, English speaking S.S. 11:45, worship 12:45, nursery, child. ch. provided. Holzstr. 9. Evening service 7:00. Call Rev. Paul. Box 089-690-8534.

INTERNATIONAL COMMUNITY CHURCH, services in English 4:30 p.m. Sundays at Erikaberstr. 10. (U2 Theresienstr.), Pastor Ronnie Stevens (089) 850-8617.

UNITARIAN UNIVERSALIST, Fellowship, 690-2036, Building 311-A-3, Perlacher Forst Housing Area. Meets fourth Sunday each month at 11 a.m.

PARIS and SUBURBS

THE AMERICAN CATHEDRAL (Episcopal-Anglican). Sun. 9 & 11 a.m. Sunday School for children and nursery care at 11 a.m. 23 ave. George V, Paris 8. Tel.: 47 20 17 92. Metro: George V or Alma-Marceau.

UNITARIAN UNIVERSALISTS will host Caroline Boyle-Turner, "more on Art and Spirituality", Sunday, January 21, 11:20 a.m., 1 Rue de l'Oratoire, Metro Louvre-Rivoli, RE for children. Info: 42 78 82 58 and 43 54 47 96.

EMMANUEL BAPTIST CHURCH, 56 Rue des Bons-Raisins, Rueil-Malmaison. English speak., evangelical, all denominations. S.S. 9:45; Worship: 10:45. Other activities. Call Dr. B.C. Thomas, Pastor. 47.49.15 29 - 47.51.29.63.

ZURICH

INTERNATIONAL BAPTIST CHURCH of Wädenswil (Zurich), Switzerland, Rosenbergstrasse 4. Worship Services Sunday mornings 11:00. Tel.: 720-2762.

ASSOC. OF INT'L CHURCHES IN EUROPE & MID. EAST

BRUSSELS

The American Protestant Church, Worship 10:30 a.m. Kattenberg, 19 (at the Int. School). Tel.: 673.05.81. Bus 95. Tram 94.

GENEVA

EV. LUTHERAN CHURCH of Geneva, temporary Sunday worship location at St. Germain Church, 9 rue Granges at 11:15 a.m. Church office phone (022) 20 50 89.

THE HAGUE

AMERICAN PROTESTANT CHURCH Sunday Service 9.15 and 11:15 a.m. Tel: (070) 244490. Esther de Boer van Rijkoon 20.

LONDON

AMERICAN CHURCH in London at 79 Tottenham Court Road, London W1, SS at 9:45 a.m. & worship at 11 a.m. Goodge street tube: Tel. (01) 580 2791.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

STOCKHOLM

IMMANUEL CHURCH, Kungstensg. & Birger Jarl. Friendly Christian fellowship. English, Swedish & Korean. 11:00. Tel.: 46-8 151225 & 309803.

UNITED CHRISTIAN CONGREGATION. Klara Östra Kyrkogata 8, service 9:00. Tel.: +46-8-210188.

VIENNA

VIENNA COMMUNITY CHURCH: A-1010 Vienna, Austria, Dorotheergasse 16. Services Sundays 11:30 a.m.

WARSAW

WARSAW INTERNATIONAL CHURCH, Protestant English language expatriates, Sundays 11:00 a.m. Ul. Piekna 14 A. Tel.: 43-29-70.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2625525.

At French News Agency, Who Rules?

By Barry James
International Herald Tribune

PARIS — The claim of the French news agency Agence France-Presse to independence took a hammering on Friday as government appointees to its board of directors blocked the re-election of the agency's president, a protégé of the previous conservative administration.

Sources at the agency said the Socialist administration of President François Mitterrand was determined to remove the agency's managing director, Jean-Louis Guillaud, who was nominated by in January 1987 by the prime minister at the time, Jacques Chirac. They said the government wants to install someone sympathetic to its views.

Mr. Guillaud's three-year mandate expires Sunday. He was the only candidate for the succession.

But after he failed in three rounds of voting to win the necessary 12 of 15 votes from the 15-member board, the agency's superior council, an eight-member body, is to propose two candidates for a fourth round next week.

Whoever obtains a simple majority in the fourth round will win. Mr. Guillaud, 60, said he still considers himself to be in the running.

Although Agence France-Presse competes commercially as one of four worldwide general service news agencies — the others are Reuters, The Associated Press and United Press International — it has long been marked by its close association with the French government, which provides more than half its budget in the form of subscriptions and subsidies.

The five government-appointed directors all voted against Mr. Guillaud, who was supported by seven of the eight publishers' representatives on the board. A third publisher's representative and two representatives of the 675 journalists and other staff members abstained.

The abstention by the representatives of the staff was intended to imply both criticism of Mr. Guillaud's tough austerity measures and of government interference in the running of the agency.

Journalists said that whoever was appointed to run the agency would be confronted with the problems brought by the agency's financial dependence on the state and its commercial dependence on the French-speaking market from which it derives more than four-fifths of its revenue.

Mr. Guillaud inherited an accumulated deficit of more than 200 million francs ($34 million) and the agency is expected to continue losing money this year.

DEATH NOTICE

Mr. Cesar Augusto DE LINO SENA died in Rio de Janeiro on Sunday, December 31, 1989. Always remembered by his friend Gunther Rametsteiner

Correction

An article on ethnic minorities in the Friday issue incorrectly described the Serbians and the Albanians in Yugoslavia. The Serbians are a majority of the population and the Albanians a minority.

TRAVEL UPDATE

American to Add 26 Europe Flights

WASHINGTON (WP) — American Airlines says it will add 26 flights a week between the United States and Europe. The new rate, 145 flights a week, will put it within striking distance of the carriers that have traditionally dominated the trans-Atlantic market, Trans World Airlines and Pan American World Airways.

In addition to London routes gained in recent deals with TWA and Texas Air Corp., American said Thursday it would add nonstop flights from Chicago to Glasgow, Munich and Düsseldorf. While increasing European service overall, it will drop nonstop service from New York to Frankfurt and to Lyon, France. It also plans to end one-stop flights to Stuttgart, Hamburg and Geneva. Plans for nonstop service from Chicago to Helsinki and Warsaw, and from Dallas-Fort Worth to Barcelona, are to be postponed.

With the initiation of service from Miami to London, American will provide service to Europe from five U.S. airports. The others are in Chicago, Dallas-Fort Worth, New York and Raleigh-Durham, North Carolina.

Japan Air Lines and All Nippon Airways are separately negotiating with European airlines to start joint flights, JAL and All Nippon spokesmen said Friday. JAL is negotiating with KLM Royal Dutch Airlines for joint Japan-Amsterdam flights, and ANA is negotiating with Sabena Belgian World Airlines for Japan-Brussels flights. *(Reuters)*

The International Federation of Air Passenger Associations proposed Friday a $1 billion program to fight terrorism, funded by an increase in fares. The group's president, Geoffrey Lipman, said at an American Business Club luncheon in Geneva that new security measures could include more advanced methods for baggage checks, electronic cameras and automatic devices for checking coded passports with the owner's fingerprints. The independent organization is based in Geneva. *(UPI)*

Most French ski resorts in the Pyrénées finally opened for business Friday after snow swept the mountains on Thursday. Officials said that at least 20 of the 35 ski stations would operate over the weekend. *(Reuters)*

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	7	45	3	37	o
Athens	—	—	—	—	na
Barcelona	9	48	3	37	fr
Belgrade	3	37	1	34	sn
Berlin	3	37	1	34	c
Brussels	6	43	3	37	c
Budapest	5	41	1	34	c
Copenhagen	5	41	1	34	c
Costa Del Sol	14	57	5	41	fr
Dublin	7	45	7	45	r
Edinburgh	4	39	4	39	r
Faro	15	59	6	43	fr
Florence	13	55	9	52	r
Frankfurt	3	37	2	36	c
Geneva	3	37	1	34	c
Helsinki	-10	14	-11	12	sn
Las Palmas	19	66	15	59	c
Lisbon	11	52	7	45	r
London	9	48	3	37	r
Luxembourg	5	41	2	36	c
Madrid	6	43	-1	30	fr
Milan	9	48	-2	28	fr
Moscow	2	36	-1	30	sn
Munich	4	39	-1	30	c
Nice	14	57	5	41	fr
Oslo	1	34	-2	28	sn
Paris	7	45	1	34	sh
Prague	4	39	0	32	c
Reykjavik	0	32	-1	30	sn
Rome	13	55	1	34	fr
Stockholm	3	37	-5	23	c
Strasbourg	2	36	-4	25	c
Venice	8	46	1	34	c
Vienna	6	43	1	34	c
Warsaw	3	37	-1	30	c
Zurich	3	37	-1	30	c

MIDDLE EAST

Ankara	—	—	—	—	na
Cairo	26	81	8	46	c
Istanbul	—	—	—	—	na
Jerusalem	11	52	4	39	c
Tel Aviv	18	64	5	41	c

OCEANIA

Auckland	—	—	—	—	na
Sydney	24	75	21	70	sh

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	23	73	sh
Beijing	4	39	-10	14	fr
Hong Kong	17	63	15	59	r
Manila	31	88	21	70	fr
New Delhi	26	79	11	52	fr
Seoul	-2	28	-6	21	fr
Shanghai	7	45	3	37	c
Singapore	31	88	23	73	sh
Taipei	18	64	15	59	r
Tokyo	7	45	4	39	r

AFRICA

Algiers	—	—	—	—	na
Cape Town	25	77	17	63	c
Casablanca	15	59	8	46	c
Harare	29	84	15	59	c
Lagos	30	86	25	77	sh
Nairobi	24	75	14	57	c
Tunis	15	59	6	43	c

LATIN AMERICA

Buenos Aires	26	79	12	54	fr
Lima	24	75	18	64	c
Mexico City	22	72	7	45	fr
Rio de Janeiro	34	93	26	79	fr

NORTH AMERICA

Anchorage	0	32	-11	12	sn
Atlanta	18	64	9	48	sh
Boston	4	39	-5	23	sn
Chicago	-1	30	-9	16	sn
Denver	1	34	-9	16	sn
Detroit	1	34	-4	25	sn
Honolulu	29	84	19	66	r
Houston	25	77	16	61	r
Los Angeles	17	63	7	45	sh
Miami	28	82	21	70	sh
Minneapolis	-1	30	-9	16	sn
Montreal	-6	21	-12	10	sn
Nassau	28	82	21	70	sh
New York	6	43	-1	30	sn
Phoenix	13	55	5	41	sh
San Francisco	14	57	6	43	sh
Seattle	7	45	1	34	sn
Toronto	-3	27	-7	19	sn
Washington	10	50	-1	34	sn

cl-cloudy; fe-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

SATURDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Overcast. Temps. 7 — 3 (45 — 37). LONDON: Cloudy. Temps. 11 — 7 (52 — 45). MADRID: Fair. Temps. 8 — 2 (46 — 36). NEW YORK: Snow. Temps. 4 — 1 (39 — 34). PARIS: Cloudy. Temps. 8 — 2 (46 — 36). ROME: Fair. Temps. 12 — 1 (54 — 34). TEL AVIV: Not available. ZURICH: Cloudy. Temps. 6 — 3 (43 — 28). BANGKOK: Showers. Temps. 32 — 27 (90 — 79). HONG KONG: Not available. MANILA: Fair. Temps. 29 — 18 (84 — 64). SEOUL: Fair. Temps. 3 — -10 (37 — 14). SINGAPORE: Showers. Temps. 27 — 24 (81 — 75). TOKYO: Cloudy. Temps. 7 — 2 (45 — 36).

هكذا من الاصل

Luke Frazza/Agence France-Presse

President George Bush, marking the end of his first year in office with a speech to political appointees in Washington.

Bush, at End of First Year, Rates High in Poll

By Michael Oreskes
New York Times Service

NEW YORK — As he completes his first year in office, President George Bush stands higher in the U.S. public's opinion than any president has at an equivalent point in his administration since John F. Kennedy, the latest New York Times/CBS News Poll shows.

Mr. Bush was helped in the poll by overwhelming support for the U.S. invasion of Panama. Three out of four Americans polled said they approved of the job he is doing.

The 76 percent approval is a level rarely achieved by presidents since World War II. It is particularly rare since the Vietnam War and the Watergate scandal.

In the poll, taken from Jan. 13 to 15, only 13 percent expressed disapproval of Mr. Bush's performance. The margin of error was plus or minus 3 percentage points.

Not since Presidents Kennedy and Dwight D. Eisenhower has an elected president been able to achieve such widespread approval after having been in office for one year. The rating for Kennedy was 79 percent and for Eisenhower, 70 percent.

Mr. Bush's support spread broadly in the latest survey. Even 64 percent of the Democrats and a remarkable 70 percent of the blacks surveyed said they approved of his performance.

In another survey, conducted in the second week of January by The Washington Post and ABC News, Mr. Bush received 79 percent approval.

Tempering the positive view was a further finding of the latest poll: When asked whether Mr. Bush or President Ronald Reagan had accomplished more during his first year in office, 37 percent said Mr. Bush had and 43 percent said Mr. Reagan had.

The telephone poll was conducted among 1,557 randomly selected Americans. They showed general satisfaction with Mr. Bush's handling of foreign policy (73 percent approve) and, in particular, strong support for the invasion of Panama (74 percent said it was justified) and the bringing of Manuel Antonio Noriega to the United States for trial (54 percent approve).

Approval of Mr. Bush's handling of foreign policy overwhelmed doubts about the president domestically. Jitters about the economy have increased since Mr. Bush's election, the survey found, with 36 percent of Americans saying they thought the economy would worsen, an increase of 11 percentage points from November 1988.

Only 8 percent said the economy would improve, the most pessimistic outlook on that question since January 1981, shortly before the start of the worst recession in postwar history.

On the issue of greatest concern to many Americans, drugs, slightly more than half said Mr. Bush had made progress.

U.S. Urges Airline Discretion on Threats

By John H. Cushman Jr.
New York Times Service

WASHINGTON — The Bush administration urged airline industry officials on Friday to continue to comply with government policy and not tell passengers of security threats against their flights in most cases.

Airline and government officials said that Admiral James B. Busey, the head of the Federal Aviation Administration, called the meeting in response to recent public warnings by two airlines of bomb threats against international flights.

The administration is convinced that information about threats to airlines is best restricted to security officials who are in a position to investigate and carry out security precautions.

President George Bush supports this view, based on the theory that publicizing threats can impede investigations by the authorities, play into the hands of terrorists by disrupting normal business, and inspire hoaxes.

There has been considerable public and political pressure to make security threats public since the bombing of Pan Am Flight 103 over Lockerbie, Scotland, in December 1988.

In the weeks before the bombing, warnings of the possibility of a terrorist attack appeared in classified FAA security bulletins, which are circulated throughout the aviation community.

In recent weeks, Delta Air Lines and Northwest Airlines both publicly confirmed that particular flights had been threatened, but airline officials pointed out that in each case they disclosed the threats only after news organizations had learned about them independently.

Admiral Busey's letter to the airline executives, delivered this week, said the meeting Friday was "address how to best deal with these types of threats in order to insure that the proper countermeasures are implemented, that there is minimal disruption of operations and that the interests of the flying public are served."

Airline officials generally support the administration's position of keeping publicity about bomb threats to a minimum, but they say there are times when exceptions must be made.

"There are circumstances where the airlines need to tell the people," said Richard Lally, vice president for security of the Air Transport Association, which represents major airlines in Washington.

For example, he said, when passengers plainly see that extensive searches or flight delays are resulting from tighter security, airlines may tell passengers about a bomb threat.

"But in terms of routine advance notification, they are pretty solid in liking the way they are doing it now," Mr. Lally said.

But there is no indication the administration is reconsidering its fundamental policy on dealing with threats.

"This is administration policy," a White House official said. "It is something that President Bush has been aware of since Flight 103. We do oppose the notification by the airlines of the public, but it is at the airlines' discretion."

The official said, "There are so many threats that are received that don't materialize and so many that are nonspecific that to inform the public would throw the international aviation system into a state of chaos and also give terrorists and pranksters a blank check to manipulate our air transportation system."

A presidential commission on aviation security is considering the question of notification, among other issues stemming from the Pan Am bombing.

Some members of the commission, which is not expected to report to Mr. Bush for several months, favor changing the rules on notifying the public of security information.

Senator Alfonse M. D'Amato, Republican of New York, who is a member of the commission, has introduced legislation that would require airlines to notify passengers of all "credible" security threats.

Robert Gibbons, a spokesman for Northwest, said the company initially planned to tell all passengers on Flight 51 from Paris on Dec. 30 that the plane had been threatened.

But they would have been told only when they arrived at the airport to board the plane, he said. This approach, consistent with the established policies of the airline and the federal government, was adopted in consultation with law enforcement officials, but had to be abandoned when a Swedish newspaper published an article telling of the threat, he said.

A few days later, Delta Airlines received a telephoned threat against all its trans-Atlantic operations. The airline announced the threat publicly in the belief that heightened security measures would be noticed, said a spokesman, Jim Lundy.

AMERICAN TOPICS

As Europe Changes, So Must War Studies

As the U.S. military services ponder their changing roles in light of events in Eastern Europe, the graduate military schools that train their officers are studying curriculum changes. "The threat is no longer the Russians," Captain John H. Heidt of the Naval War College at Newport, Rhode Island, told The New York Times.

The army, navy and air force each have war colleges and the Defense Department sponsors two more that specialize in economics and and high-level strategy. Total enrollment for nine-month courses at all five is more than a thousand. Most of the students are commanders in the navy and lieutenant colonels in the other services.

Colonel Don Lundy of the Army War College in Carlisle, Pennsylvania, said, "With the rebirth of nationalism" in Eastern Europe, "are we going back to 1912 and an endless round of territorial disputes? How much of a threat will that be to U.S. interests? What sort of military do we need for the coming decade?"

Short Takes

Black men in New York's Harlem are less likely to live to the age of 65 than men in Bangladesh, one of the world's poorest countries, according to a study published in the New England Journal of Medicine. In Bangladesh, 55 percent of men and 50 percent of women live to be 65. In Harlem, 40 percent of men and 65 percent of women reach that age. The report was compiled by Dr. Harold P. Freeman, 56, and Dr. Colin McCord, 61, both of Columbia University and Harlem Hospital.

The lima bean-sized zebra mussel, inedible by humans, highly prolific and with few natural predators and no commercial value, has invaded the Great Lakes by the billions. Native to Eastern Europe, it apparently arrived in the mid-1980s when ships released ballast water. The mollusk eats food that fish depend on, clogs drinking-water intakes and invades bathing beaches. Eradication is slow and expensive. Margaret Dochoda, a biologist with the Canadian-American fisheries commission, predicts, "The zebra mussel will be plaguing a large part of North America in the next 100 years."

Americans are drinking less, but fancier, liquor. Although consumption of alcohol continues to drop, premium brands like Absolut vodka and single-malt Scotches are selling better than ever, The New York Times reports. Jack Daniel's, the venerable producer of Tennessee whiskey, has begun selling Gentleman Jack, which it describes as a smoother variation.

Notes About People

Joan Baez, the folk singer who has spent most of her career promoting various causes, says the 1990s are going to be her Me Decade, The Washington Post reports. Miss Baez, 48, has hired new managers to help her find a wider audience. "I make these stupendous albums and I want them to be heard," she said. "I finally realized that perhaps because of all the causes I've embraced throughout the years, I was being a little too selfless."

"I have an easy way of finding restaurants," **Calvin Trillin,** the food writer, told U.S. News & World Report. "Only eat ethnic food if the local ethnic group is populous." And with the influx of refugees from Southeast Asia, "I've had great Vietnamese meals in Washington, D.C.; Minneapolis; Portland, Oregon; and many other places where you didn't used to look forward to dinner."

Showing that he takes recycling paper seriously, **William K. Reilly,** administrator of the Environmental Protection Agency, has his business cards printed on used brown-paper grocery bags.

Arthur Higbee

Newspapers In Colombia Focus on Barry Arrest

By Eugene Robinson
Washington Post Service

BOGOTA — At the center of the world cocaine trade, the arrest of the mayor of Washington, Marion S. Barry Jr., on drug charges made the front pages of all of Bogotá's major newspapers on Friday.

The incident was seen as speaking directly to the main Colombian argument on the drug issue: The root of the problem was consumption in the United States, and until authorities got serious about curbing demand there could be no solution.

The newspaper El Espectador, which was bombed by drug traffickers several months ago, ran a small photograph of Mr. Barry at the top of the front page with the caption "Drug-Addict Mayor." Accompanying a story inside on the arrest was another photo of Mr. Barry, the former mayor of New York, Edward I. Koch, and Mayor Andrés Pastrana of Bogotá at an anti-drug meeting of mayors in June 1989.

Another major Bogotá daily, El Tiempo, ran a story on its front page with the headline: "Black mayor of Washington arrested buying cocaine."

The tabloid La Prensa published a special late edition, which led with the story about Mr. Barry and a photograph.

The Colombian press is quick to spot what it sees as U.S. inconsistency when it comes to drugs.

Mr. Barry "is considered a symbol of the hypocrisy in the fight against drugs because he promotes anti-drug programs in the schools and the black neighborhoods," the El Tiempo article said.

■ Bogotá Continues War

The government on Friday refused to halt its war against cocaine rings and vowed to continue extraditing drug trafficking suspects to the United States despite an apparent surrender by the drug traffickers, United Press International reported earlier form Bogotá.

A statement by the administration of President Virgilio Barco Vargas said, "The activities of the military forces, of the national police and the Department of National Security have been successful and will continue being carried out in order to finish dismantling the gangs of hitmen and the narco-terrorist organizations."

The statement was the government's official response to a conditional surrender, which was issued Wednesday by a squad linked to a cocaine ring in Medellín. The ring has been at war with the nation since August 1989.

The Extraditables, a group the government said had carried out bombings, assassinations and kidnappings for the Medellín cocaine ring, offered to halt drug trafficking and give up its war on the nation in return for "legal and constitutional guarantees."

A government official said that the administration had rejected the possibility of halting extraditions to the United States.

U.S. Official Assails Tobacco Ads Aimed at Blacks

By Michael Specter
Washington Post Service

WASHINGTON — The highest-ranking U.S. health official has denounced R.J. Reynolds Tobacco Co. for "deliberately and cynically" marketing a cigarette aimed at blacks and called for the company to withdraw its plans.

The unusually tough speech by the secretary of health and human services, Louis W. Sullivan, marks the first time a high-ranking administration official has singled out a cigarette manufacturer for criticism. Dr. Sullivan delivered the speech on Reynolds's new Uptown brand to medical students at the University of Pennsylvania.

"This brand is cynically and deliberately targeted toward black Americans," Dr. Sullivan said. "At a time when our people desperately need the message of health promotion, Uptown's message is more disease, more suffering and more death for a group already bearing more than its share of smoking-related illness and mortality.

"At a time when we must cultivate greater personal responsibility among our citizens, Uptown's slick and sinister advertising proposes, instead, a greater degree of personal irresponsibility."

Studies have shown for 23 years that blacks are far more likely than whites to smoke. But the gap has widened in the past 10 years as whites have been more likely to quit smoking. As a result, many health officials have assailed cigarette advertising aimed specifically at minorities.

Reynolds announced last month that it would soon begin test marketing of Uptown. The company said it would promote the menthol cigarette heavily in advertisements aimed at blacks.

More than 75 percent of black smokers use menthol cigarettes, compared with only 23 percent of white smokers, according to the government's Office on Smoking and Health.

A spokeswoman for the company said it had decided not to comment publicly, adding that R.J. Reynolds would respond directly to Dr. Sullivan within two weeks.

"We believe that black smokers have the right to buy products that fit their preference," said Betsy Annese, the spokeswoman. "The introduction of a new brand will not affect the decision to smoke."

But racial differences among those who smoke in the United States have become so apparent, and advertising of cigarettes aimed at minorities so obvious, that black leaders have struggled to overcome the impact of the industry's ads.

"The prevalence of smoking is by far the single most important issue that accounts for the poor quality of health for people of color in this country," said Reed V. Tuckson, the health commissioner for the District of Columbia, who, like Dr. Sullivan, is black. Both men have committed themselves to halting deterioration of health among minorities in the United States.

"The predatory behavior and the degree of intensity to which these companies market their products of death and disease for the sake of profit is just immoral," Mr. Tuckson said. "What the secretary has done today is brave and I am thrilled he did it."

Reynolds has plans to begin testing the new brand in Philadelphia on Feb. 5. The company has said it chose the city because of its large black population.

The company already sells Salem, the most popular menthol brand with 6.8 percent of the U.S. cigarette market. But research had shown that many black smokers preferred a lighter menthol, so Reynolds designed Uptown.

"Higher smoking rates among blacks, especially black males, are a major reason why blacks experience higher rates of lung cancer, other cancers, heart disease and stroke compared with whites," Dr. Sullivan said in a letter to Reynolds's chief executive officer, James W. Johnston.

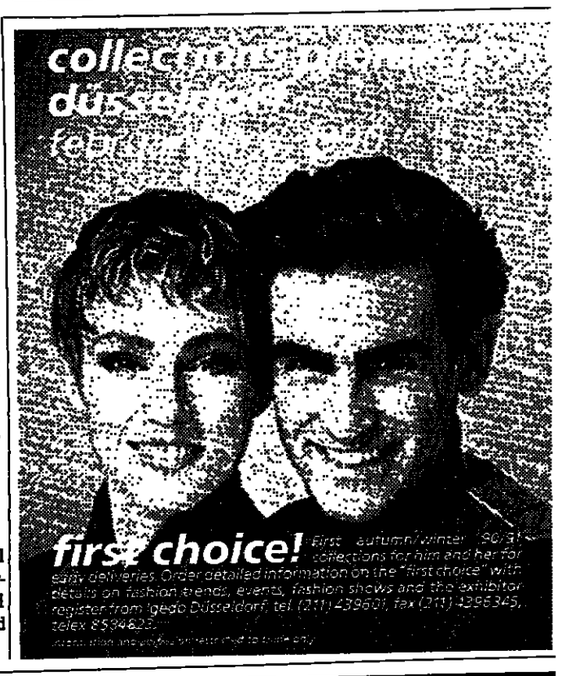
"I strongly urge you to cancel your plans to market a brand of cigarettes that is specifically targeted to black smokers."

■ Shrinking Sales

Cigarette sales in the United States have been shrinking, including a decline of 6 percent last year, and companies have been aggressively seeking new customers, The New York Times reported from Washington. There has been a proliferation of new brands seeking narrower segments of the market.

The Centers for Disease Control in Atlanta reports that 29 percent of Americans still smoke, although the percentage is declining. Of those, the highest rate was among black men, 39 percent of whom smoke.

When Reynolds begins marketing in Philadelphia, the company will be met by protest, said Steven Dickinson of the American Cancer Society. The cancer society will hold a news conference and join representatives of about 30 black, Hispanic, health, religious, community and city organizations to protest the marketing of Uptown.



El Salvador Charges Officers in Killing of Jesuits

By Lindsey Gruson
New York Times Service

SAN SALVADOR — A colonel, two lieutenants and five other members of the military were charged Friday with the murder of six Jesuit priests, their housekeeper and her teenage daughter in November.

The colonel, Guillermo Alfredo Benavides, is the highest-ranking officer ever indicted for the thousands of human rights abuses that have been linked to the armed forces and associated death squads. No officer has ever been convicted in such a case.

The arrest and indictment of Colonel Benavides, the commander of the Salvadoran military academy and a member of a small group of officers that runs the army, has been hailed as a benchmark by the president and by diplomats.

President Alfredo Cristiani and U.S. diplomats say the indictment proves that the country is making progress in the long effort to end the military's traditional immunity from prosecution and subjugate it to civilian authority.

"We are pleased that the judicial proceedings are moving along," a spokesman for the U.S. Embassy in San Salvador said. "Today's decision is another affirmation of the government determination to push this very important case through to its conclusion."

The six priests, among the country's intellectual leaders and proponents of a negotiated settlement to the conflict between the government and leftist rebels, were killed on Nov. 16. The killings provoked international outrage and threats to cut of U.S. aid, which sustains the government.

The indictment, issued by Judge Ricardo Zamora of the 4th Penal Court, begins a 120-day investigatory period in which the case will be prepared for trial. But prosecutors and defense attorneys said Friday that they expected motions by the two sides to delay the trial for several years.

If convicted, the eight defendants could be sentenced to 30 years in prison. A ninth suspect in the killings deserted from the army in December and is a fugitive.

Lawyers for the eight defendants, who were placed under provisional detention, said they were not guilty and accused army investigators of using psychological pressure to coerce confessions from lower-ranking officials.

"They were told they would be demoted and accused of being terrorists," said a defense lawyer, Euligio Rodriguez Barahona. Others noted that the defendants had had no legal representation when they confessed.

Colonel Benavides has denied all involvement. But the three lower-ranking officers said that he had said the priests were guerrillas and had ordered their killing.

Americans Abroad to Have Forum

By Jere Williamson
Special to the Herald Tribune

PARIS — A conference organized by a U.S. congressman to document and propose solutions to problems confronted by Americans living overseas is to be convened here in July, the congressman said Friday.

Issues to be discussed include taxation, medicare and social security, family and citizenship, education, veterans' benefits, and voting rights, said Representative Mervyn M. Dymally, Democrat of California.

The meeting July 4-7 will be a "citizens conference," not a congressional hearing, Mr. Dymally said. But it is being undertaken with congressional cooperation and is to be attended by members of Congress who are part of a task force Mr. Dymally said he is organizing to address the problems faced by Americans living abroad.

The meeting is meant to take testimony and suggestions and produce policy proposals for Congress to study, he said Friday, after meeting with representatives of American citizens' groups in Paris that are involved in the effort.

The event will be open to American citizens from all over the world, the organizers said.

"Most Americans cite the fact that we are the only country in the world which taxes our citizens abroad," Mr. Dymally said. "They pay social security but they're not entitled to medicare benefits, and citizenship law is inconsistent."

Stephanie Simonard, of the Association of American Residents Overseas and John Crawford, president of the European Council of American Chambers of Commerce, are co-chairmen of the committee organizing the event, with the cooperation of the House Foreign Affairs subcommittee on international operations, of which Mr. Dymally is chairman.

Mr. Dymally said that next month he would begin organizing a permanent bipartisan task force in the House to provide a congressional forum for issues facing overseas Americans.

Lebanese Protesters Leave Embassy in Paris

The Associated Press

PARIS — A weeklong occupation of the Lebanese Embassy ended on Friday when the police drove out about 30 protesters loyal to the Christian military leader in Lebanon, Major General Michel Aoun.

The demonstrators left peacefully, the police said. The French Foreign Ministry said the evacuation had been requested by Ambassador Fouad Turk.

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OPINION

Nationalism at Its Nastiest

Azerbaijan is no Lithuania. True, resurgent nationalism arouses people in the Caucasus just as it arouses the Baltic republics. But there the comparison ends — and the trouble for Moscow begins.

Nationalists in Lithuania are struggling to wrest independence from Moscow by nonviolent, political means. Nationalists in Azerbaijan also talk of independence, but their protest includes bloody pogroms against their Armenian neighbors. Nor do Azerbaijani nationalists limit their actions to Soviet Azerbaijan. They transgress the border with Iran to make common cause with Azerbaijanis there.

Mikhail Gorbachev seems prepared to bargain with Lithuania's nationalists. But Azerbaijan's violent nationalists leave him no choice but to send in the troops.

The nationalism now surging from Omsk to Tomsk is an understandable reaction to decades of forced assimilation. Stalin redrew borders, relocated populations and suppressed cultural and religious differences, all in the name of internationalism. But ancient national aspirations did not disappear.

This week's massacre in Baku, of predominantly Christian Armenians by Muslim Azerbaijanis, shows nationalism at its nastiest. Generations of religious hatred erupted in spasmodic violence two years ago as armed Azerbaijanis rampaged through the town of Sumgait and slaughtered 32 persons, mostly Armenians. After the 1988 earthquake that killed 25,000 Armenians, Azerbaijanis blocked railways to Armenia, holding up aid. Now the rivals vie for control of Nagorno-Karabakh, an Armenian enclave that Stalin incorporated into Azerbaijan in 1923.

The Armenians sought protection from Moscow. Mr. Gorbachev first resisted, but renewed strife forced him to intervene. The Azerbaijanis added to his unease, declaring their interest in carving out a state on both sides of the national border. This was a threat to Iran's territorial integrity and its warming relations with Moscow. Tehran asked the Soviets to beef up border patrols.

Mr. Gorbachev and his reformist Kremlin allies are prepared to tolerate, even encourage, moderate nationalists who challenge central control and demand autonomy. But Moscow rightly feels that, in a polyglot country with 104 nationalities, ethnic violence is beyond the pale.

Azerbaijan dramatizes Mr. Gorbachev's larger dilemma. To generate economic thrust, he wants to shift power from Moscow's stodgy bureaucracies to the regional republics. But how can he do this without unleashing nationalist hatreds and irredentism? The problem is illustrated by the struggle over Nagorno-Karabakh, a small region with a population of 160,000.

Putting either Azerbaijanis or Armenians in charge would leave one people at the mercy of the other. Moscow has to assume direct control. But that runs counter to Mr. Gorbachev's desire for devolution. And the troops, once introduced, will be difficult to extricate. Nothing so challenges Mr. Gorbachev's resourcefulness, and his fragile coalition of reformists and moderate nationalists, as the flow of blood in the Caucasus.

— THE NEW YORK TIMES.

A High-Stakes Drug Deal

The Medellin drug cartel in Colombia offers a deal: to quit the trade, break up the whole drug apparatus and end its violence in return for special treatment of its murders and other crimes and for pledges that its chiefs will not be extradited to the United States (as 13 have been). It is political plea-bargaining writ large, but it is not to be dismissed, or for that matter accepted, on that ground alone. Is the cartel to be trusted in any kind of a deal? Are the terms fair and acceptable to Colombian society? What guarantees would there be that others would not move in on the vacated turf? Questions such as these must be addressed for any worthwhile answer to come.

We Americans, centered on our own anti-drug efforts, often fail to realize how much more severe in its way is the drug trade's assault on Colombian sovereignty and how much more serious is that government's and society's response. The country's whole economy and the integrity of its basic institutions — courts and police, government, press — have been battered. President Virgilio Barco Vargas declared war on the drug traffickers and has seen his society pay immense costs as a result. But with great courage, he and his countrymen have pressed forward. This is what now brings the notorious Medellin cartel to declare that the government is the winner in the war and to sue for peace.

Americans are caught between two impulses. There is great distrust that anything short of the total defeat and unconditional surrender of the cartels will stanch the flow of drugs poisoning American society. But there is also an awareness of Colombia's difficulty in waging, let alone winning, its terrible war, and there is a scarcely concealed desire to see Colombia take a step — almost any step — that may make some early difference at the U.S. end of the pipeline.

The decision on how to conduct what is an irregular but on-going (and church-mediated) negotiation with the cartel, however, is properly Colombia's alone. As the United States has been reminded by the recent fiasco involving U.S. navy ships off the Latin American coast, matters of drug enforcement touch the deepest national nerves and carry with them severe risks of international misunderstanding. Regardless of how the Colombian government decides to address the drug traffickers to check supply, the best contribution the United States can make — to Colombia and to itself — is to tend more effectively to the voracious U.S. demand.

— THE WASHINGTON POST.

An Energy Policy, Now

The United States has no national energy policy, which is to say that energy policy is the same as fiscal policy: Live for the present, burn whatever is at hand and forget about the consequences. The painful national lessons learned in the energy dustups of the 1970s have been forgotten or are regarded as no longer applicable. But they are still the right ones. The latest evidence is a report from the American Petroleum Institute that U.S. oil production suffered a record decline last year while oil imports rose to 46 percent of demand, nearly back to the humbling peak of dependency in 1977.

The oil industry offers its usual prescriptions to offset the declining domestic supply — larger tax incentives for exploration and extraction, easier access to offshore and other environmentally sensitive drilling sites on federal lands, perhaps even an import fee, behind which domestic prices and the incentives they represent could be raised. But all these steps are marginal — some would even be harmful — and serve only to buy time. U.S. oil fields are mostly old and declining. The great national need in regard to oil and energy is to conserve.

That is where the government can help — and where the administrations of the 1980s especially have lacked the fiber to impose necessary discipline. The automobile is the largest single consumer of oil, in the form of gasoline. The right way to deter its consumption in this form is to raise the price of gasoline by sharply increasing the federal tax. In real terms the price is now well below peaks in the earlier 1980s; in that sense there is room for an increase. The revenues could significantly reduce the budget deficit; every penny of tax per gallon of gasoline produces about $1 billion a year. An easing of demand would also reduce the trade deficit, of which oil imports constitute a major part, and any reduction in burning would help clean the air.

By carrot or stick the government should also induce a partial shift toward other forms of transportation, while leading industry and households to burn less oil as well. The latter effort will doubtless mean greater reliance on nuclear power and/or coal, both of which have their own environmental costs. One environmental task of government is to help the country choose among the various forms of pollution.

At another level the country has no choice. All or most of these restraints on behavior will be imposed; the only questions are who is going to impose them and when. It is like the television ad: Either the government begins to do it now or foreign producers do it, no doubt less gently, later. That is the message of the new oil figures.

— THE WASHINGTON POST.

Other Comment

Cambodia, China, Thailand

There is no more promising path to peace in Cambodia on the table right now than the new proposal for an enhanced role by the United Nations. China's willingness to support the plan raises hopes that finally there may be a resolution of the terrible strife.

The five permanent members of the UN Security Council have agreed on a set of principles designed to end the fighting, terminate the flow of foreign arms and outside intervention, and clear the way for free elections under UN supervision.

It is a tall order. But recent fighting again has demonstrated that there is no other way. China now appears prepared to accept the reality that its client within Cambodia, the Khmer Rouge, cannot battle its way back to power. The new declaration explicitly denies any of the four warring parties a veto over the peace process as they are brought together in dialogue.

— The Los Angeles Times.

The single most important factor behind the conflict in Cambodia has been the involvement of foreign countries with a direct or indirect security stake. These powers have effectively been fighting a proxy war in Cambodia. The first step that could lead to peace is to end [this]. Thailand, for its part, must decide whether it is prepared to cut off the "transit" arms supply. The biggest supplier of the most powerful faction, the Khmer Rouge, has been and remains China — a major power and a close ally of this country. The question boils down to whether Bangkok is prepared to challenge the Chinese, assuming that Beijing refuses to be persuaded to cut aid to the Khmer Rouge.

— The Bangkok Post.

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Gysi's 'Third Way': A Mission Impossible Set in Berlin

By Jim Hoagland

BERLIN — Meet Gregor Gysi, a politician who says that his party has little chance of winning the national elections ahead. He adds that if his party should win, half a million people will promptly flee the country in fear and disgust.

Anyone who says that, of course, is no politician. Mr. Gysi is a lawyer and intellectual who has been drafted by the Communist Party of East Germany for an unlikely salvage job. He is supposed to erase the party's Stalinist image and enable it to compete democratically in parliamentary elections May 6.

Hercules's stint in the Augean stables was child's play compared to this task. The distrust of the party of Walter Ulbricht, of Erich Honecker and of The Wall naturally runs deep here. It is astounding that there are still 1.4 million members of the party, many of whom have stayed in hopes that Mr. Gysi can work a miracle.

But in his one month in office as party chairman, Mr. Gysi has been stained by the association with the party machine, which has given no convincing sign that it can or will reform its anti-democratic ways. The Communists continue to drag their feet on an election law and have sought to keep a secret police force.

The party's refusal to be swept by a new broom destroys any chance that Mr. Gysi and his ally, Prime Minister Hans Modrow, would have of selling a "Third Way" between capitalism and communism to East German voters. Seen a month ago in Bonn, Washington and Paris as key elements to a stable transition to democracy, Mr. Modrow and Mr. Gysi are criticized today as bumblers or plotters. The country again teeters on the edge of breakdown.

"Power does not lie in the hands of the party; it lies in the streets," the Communist Party boss said as he juggled telephone calls, party meetings, an interview and celebration of his 42d birthday. "Everything is polarized now. Whenever I go somewhere, I am wildly cheered and applauded, or I'm screamed and yelled at. There is nothing in between."

This polarization will continue after the election, Mr. Gysi fears. "It is extremely unlikely that we will win. But if we did win somehow, in present conditions a minimum of 500,000 people would leave" permanently for West Germany. "This would cause the social network to collapse" in West Germany.

"But if it is the other way around and the opposition wins, then 500,000 of the members and sympathizers of my party would leave, because they would be afraid of what would happen to them."

Mr. Gysi's projection is part of one of history's great poker games, being played by the two Germanys. His answer to the dangerous situation he describes is for the newly formed democratic parties in East Germany to bail out the Communists. "We and the opposition must arrive at a common declaration that one of us cannot succeed without the other. We have to explain that together to the population."

But the opposition parties reject this. "The Communists must leave power after May 6," said Steffan Hilsberg, a leader of the newly founded Social Democratic Party. "Gysi prevented the Communist Party from splitting by taking that job. Now their policies are splitting the population. They must go."

Mr. Gysi is also trying to bluff West Germany into providing more support for Mr. Modrow. The party leader raises the specter of new waves of emigrants crashing across the border unless an electoral pact guaranteeing the Communists a government role after May 6 is reached. This will probably turn out not to be a bluff, however. As hope and confidence in the future falls, emigration rises again.

A concerted attack on Mr. Gysi and Mr. Modrow by West German politicians and commentators in the past week is the other part of this bare-knuckle fight over the future.

Chancellor Helmut Kohl put his arm around Mr. Modrow last month to offer support. Now Mr. Kohl squeezes the East German to move faster and further than he wants to go toward the West's economic and political model; the alternative is to perish in Mr. Kohl's steel embrace.

The West Germans are in the position of being able to create a self-fulfilling prophecy. If they say they have lost confidence in Mr. Gysi and Mr. Modrow because the East German leadership is failing, the two men certainly will fail, and then fall. The resulting population flight and economic disaster will accelerate the slide toward rapid reunification, as an alternative to chaos.

Chancellor Kohl cannot play his hand too aggressively. That would draw the wrath of Moscow and perhaps of Bonn's Western partners as well. But it is easy for Mr. Kohl to nudge the East German leaders to the edge of the precipice and then make it look like they jumped.

Open up to West German business, Mr. Kohl told East Berlin, or forget about aid. The new economic wall the Communists were trying to erect immediately swung open as East German officials offered wholesale exceptions to the investment restrictions they had just adopted. The economic opening to foreign investment was a nail in the coffin of Mr. Gysi's Third Way theory.

By failing to break cleanly with their past and to reach out to the civic and church groups that made the East German revolution, the Communists have sent Gregor Gysi on Mission Impossible. His candor and intelligence will not rescue the bankrupt party. Who said there was no justice?

The Washington Post.

The Chinese Concession Is No Boon to Cambodia

By Nayan Chanda

WASHINGTON — Once again, the press and policy experts are talking about a breakthrough in Cambodia. This time, the prattle is occasioned by a supposed shift by China in favor of an enhanced United Nations role in Cambodia. In truth, flexibility was shown not by the Chinese but by the Soviet Union and its allies, Vietnam and the Cambodian government, the Vietnamese-installed Hun Sen regime.

China's purported new flexibility may soon be presented as another shred of evidence of the wisdom of the secret U.S. missions to China to re-establish a dialogue with the Beijing leadership. But a closer look at the outcome of the recent Paris meeting of the UN Security Council's five permanent members shows that the Chinese "concession" is even less valuable than the recycled Chinese promise not to sell missiles to the Middle East.

Unidentified Western officials in Paris are claiming that the Chinese have for the first time supported "enhanced" UN involvement in settling the conflict in Cambodia. That is hardly a breakthrough.

Beijing has been demanding a UN-based solution since 1981. One reason for Chinese devotion to the UN is that its friends, the murderous Khmer Rouge, represent Cambodia there. Any UN involvement in Cambodia can benefit the Khmer Rouge.

Not surprisingly, Prime Minister Hun Sen and his Vietnamese and Soviet friends have opposed a UN role in monitoring withdrawal or in peacekeeping. Previously, they had proposed an empty seat as a condition for a UN role. Therefore, by accepting an enhanced UN role without addressing the question of the UN seat, it is the Soviet Union — not China — that has shifted its position.

For all its talk of an enhanced role, the document adopted this week in Paris assigns to the UN jobs that have long been proposed by China: verification of Vietnamese withdrawal and maintenance of internal security. But the document is silent on the Australian proposal of an interim UN authority in Cambodia. In a recent show of flexibility, Mr. Hun Sen accepted the idea that the UN "should be involved in the government of the transitional period."

China opposes a supervisory UN role because that would inevitably keep the core of Mr. Hun Sen's Phnom Penh administration in place. Beijing said it would accept a UN administration only if it was preceded by the total dismantling of the Hun Sen government, with its 250,000 employees. Otherwise, China's preferred formula for peace is to hand over Cambodia to a four-party interim coalition that includes the Khmer Rouge.

During the Paris meeting, representatives of the United States, Britain, France and the Soviet Union were disconcerted by the Chinese representative's insistent claim that hundreds of thousands of Vietnamese were still in Cambodia. Western intelligence, including the U.S. Defense Intelligence Agency, believe that all Vietnamese combat units withdrew from Cambodia last September, as scheduled. What the Chinese have in mind, however, is not so much troops as Vietnamese civilians living in Cambodia.

During the 19-nation Paris conference on Cambodia last summer, Hanoi and Phnom Penh fought hard, if unsuccessfully, to replace the formulation "foreign forces" with "foreign military forces," precisely to avoid having China and the Khmer Rouge try to lump citizens of Vietnamese origin living in Cambodia together with Hanoi troops. The Khmer Rouge claimed that Vietnamese "settlers" in Cambodia were spies and soldiers in mufti.

The statement from the recent Paris conference called for "verified withdrawal of foreign forces" from Cambodia, thus suggesting another Soviet concession at the expense of their friends. However, by accepting the notion that ethnic Vietnamese in Cambodia are agents of Hanoi, even though they have lived in Cambodia for centuries, the five nations have opened the door to a potentially bloody ethnic strife.

The most glaring omission of the Security Council declaration is the lack of any reference to the holocaust in Cambodia and the need to prevent its recurrence. To think that peace is possible without addressing the fear of the Cambodians about the return of the dreaded Khmer Rouge butchers is ostrich-like. To proceed on this basis might please the embarrassed patrons of the Khmer Rouge but will not advance the peace process.

Only two years ago, even China endorsed a UN statement calling for "nonreturn" to the universally condemned policies and practices of Cambodia's recent past. The same statement was adopted as a goal of the Paris conference last summer.

But now, along with that significant omission, the five powers have proclaimed that "all Cambodians should enjoy the same rights, freedoms and opportunities to participate in the election process." Pol Pot and Ta Mok may finally be rehabilitated — a small price for eliciting Chinese "flexibility."

The writer, on leave from the Far Eastern Economic Review, is a senior associate at the Carnegie Endowment. This comment was contributed to The New York Times.

It Comforted Those Who Misjudged

By William Pfaff

PARIS — It is interesting that American policymakers and commentators should have found the "Z" affair so absorbing. The reason is surely not the article itself.

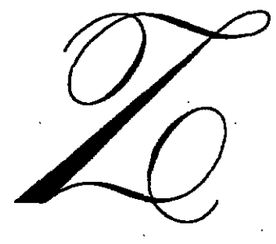
The article (an analysis of the prospects for Soviet reform, published in the journal Daedalus and signed "Z") says nothing that has not better been said elsewhere. Its interest lies in its conclusion, which is that the West should not help Mikhail Gorbachev because his reforms will in any case fail. It is a conclusion offering retrospective justification to those who have been wrong in the debate over Mr. Gorbachev and the reforms he has undertaken in the Soviet system.

There is nothing remarkable in having doubted Mr. Gorbachev when he launched his reform program. Nothing in the history of Soviet communism gave cause to believe that the country's Communist Party would produce a true reform figure from within its own ranks.

Those who were wrong ordinarily were so because they had committed themselves to a particular view of the nature of communism. The principal American foreign policy debate of the last two decades has been on the question of whether communism was inherently flawed and limited in effect, a political upheaval that eventually would be spent, or whether it was a unique political phenomenon, successfully expanding, perhaps unstoppable by anything short of war. Those who believed the latter also said it was the liberal democracies that were in decline — a position indefensible today.

Those who foresaw the decline of the Soviet system were right. George Kennan had argued the eventual corruption and collapse of the Soviet system in 1951, when he formulated the theory of "containment." He said that Soviet power "bears within it the seeds of its own decay." By containing its attempts to encroach on "the interests of a peaceful and stable world" it could eventually be caused to fall back upon itself, victim of its own contradictions.

Mr. Kennan was for many years attacked by conservatives as having



underestimated Soviet power and the nature of its threat. Containment — "mere containment" — was criticized as a weak and defensive policy when, the critics said, aggressive counterattack was required. The Soviet Union was held to be an expanding power, its Asian, Latin American and African clients, not to speak of its East European conquests, held to be irreversible ideological and military gains, adding to Soviet power.

Conservatives have said that the Gorbachev reforms are only tactical, expedient and should not be interpreted as offering permanent improvement in international relations. Paul Nitze, intellectually perhaps the most serious figure in this policy camp, has recently written that Mr. Gorbachev appears to be seeking "to preserve the Communist Party" and "what he can of the Marxist-Leninist ideology and organization, awaiting the eventual re-emergence of conditions in which the presumed advantages in the management of conflict of communist organizational principles will give communist parties a decisive edge in dealing with a potentially fragmented world."

The aim of the conservative argument, to block help for Mr. Gorbachev, is largely pointless. Not only have the Soviet leaders said they do not ask for, and do not expect help, there is in fact relatively little the West might do. The Soviet crisis is not open to remedy by outsiders.

The pessimistic assessment made of the Soviet situation in the "Z" article is defensible. Soviet reform is in great difficulty today. The response the article found in Washington and New York has, however, followed not from its analysis but its conclusion. The polemical appeal of an argument that the West should do nothing for the Soviet reformers because reform inevitably will fail is clear enough: If this is so it makes no difference that one should have misjudged the Gorbachev reforms from the start. To have been right would have made no difference.

The debate is not a policy debate but an ideological one, and has chiefly to do with retroactive justification of an ideological line. The affair provides further evidence that U.S. policy controversy has to a disturbing degree become a matter of sectarianism and ideology.

International Herald Tribune.
© Los Angeles Times.

This Japanese Cheerleader Is a Bit Shrill

By Hobart Rowen

WASHINGTON — Shintaro Ishihara, the Japanese congressman who wants his country to stand up to the United States, has been trying to take the sting out of his book, "The Japan That Can Say 'No.'" If a talk with him here is any indication, he is not likely to succeed.

Mr. Ishihara is a former and probably future candidate for prime minister. He is annoyed that the "pirated" version of his book, written with the chairman of Sony Corp., Akio Morita, suffered in translation and has some (he says) serious omissions. But he does not deny that the thrust of the book is this: Japan should use its superior technology to negotiate a place for itself among the global superpowers.

"I just love the title," Mr. Ishihara said with a grin. He chose it, he said, because he felt that Yasuhiro Nakasone, then prime minister, had become such a "yes man" in his dealings with President Reagan.

Mr. Ishihara's strident nationalism is contributing to a collision between Japan and the United States in which cool heads on both sides are losing out to emotionally driven partisans. I suggested to Mr. Ishihara that his book had been counterproductive.

He offered no apologies. "Consequence is consequence," he said. "But I hope this can be the starting point of an energetic debate. That could be the good part of the whole thing."

Mr. Morita, who since has labeled Mr. Ishihara an extremist, has backed out of publishing an official version of the book in the United States. But Mr. Ishihara is going ahead and plans to have it available this summer.

Even if some of the rougher edges of the book — statements like "the Americans behave more like mad dogs than watch dogs" — should disappear, it can only exacerbate the ugly tone of the U.S.-Japan debate.

Some Americans now consider Japan a bigger threat than the Soviets. That is a mistake. Then, there is the outbreak of guilt-by-association charges against anyone who refuses to blame Japan for the U.S. trade deficit.

Mr. Ishihara himself is highly critical of the political protectionism afforded to Japan's construction industry and rice growers, and agrees with the U.S. effort to force a modernization of the distribution system.

America's making Japan Public Enemy No. 1 has gotten under Mr. Ishihara's skin. But his counterpunch — the suggestion that Japan respond by selling critical computer chips to the Soviet Union instead of the United States — is equally hysterical.

(Mr. Ishihara told me that he raised that only as a debating point when someone at a Washington dinner party suggested that the United States "can abandon Japan at any time.")

Still, he believes that U.S. domination of the world economy has come to an end and that the United States should gracefully acknowledge the shift. In the coming century, he argues, the United States will have to share power with Japan and others.

The American focus should be on its strength — research and development — while Japan concentrates on what it does best, "feeding back" new technological advances through its productive and managerial skills.

But it is doubtful that America could accept becoming, in effect, a huge research laboratory for global Japanese factories.

I would not worry about Mr. Ishihara if he were a voice in the Japanese wilderness. But the man in the street likes Mr. Ishihara's flexing of muscles; 500,000 copies of the book have already been sold in Japan.

Mr. Ishihara says his country wants the respect to which its economic strength and technological skills entitle it. Whether it will get it by saying "No!" Ishihara-style, is unclear.

The Washington Post.

To Isolate Sudan's Dangerous Leader

By Holly Burkhalter

WASHINGTON — Late last month, a prominent Sudanese citizen named Idris el Banna was to stand trial for writing a poem. He and the nine civil servants who read the poem during a protest face the death penalty. Khartoum has clamped down on information about the case, making it impossible to learn the outcome. But similar cases leave little room for hope.

The rule of General Omar Hassan Ahmed Bashir, who overthrew the elected government in June, has been disastrous for the people of Sudan. It is also a formidable challenge for U.S. policy.

The general has sent a bad human rights situation spinning into tragedy: He has banned almost every independent institution, including unions, professional associations and the press. Hundreds of lawyers, labor leaders, journalists and human rights advocates have been jailed.

On Dec. 7, the regime imposed Islamic law, which is widely opposed in Sudan. As many as 200 prisoners face death sentences, stoning or amputation of limbs for adultery, political acts or trading on the black market.

The latest outrage was the jailing of 10 doctors for having protested the arrest and dismissal of colleagues and the banning of the Sudan Doctors Union. On Dec. 10, military tribunals gave one of the doctors a 15-year prison term and sentenced another to death.

President Hosni Mubarak of Egypt made strong representations on the case. The U.S. ambassador to Sudan, James Cheek, also delivered an appeal on behalf of the doctors, reportedly warning the government that relations would be seriously jeopardized if the men were hanged. This infuriated the authorities. The official National Salvation newspaper published an anti-U.S. diatribe on Dec. 16, saying Sudan would do what it had to do to save the country. Within 24 hours, two prisoners were hanged.

International pressure has been similarly ineffective in persuading the Bashir government to permit relief supplies to reach Sudan's starving South. Operation Lifeline, an emergency feeding program coordinated by UNICEF, was suspended in November. The effort was intended to prevent a repetition of the famine of 1988, in which an estimated 250,000 people died when the previous government prohibited food deliveries.

Aid officials say the program saved 100,000 civilians last year. An increase in hostilities in the South since General Bashir took power, including indiscriminate bombardment of cities and the suspension of the aid program, virtually assure a return to widespread famine.

The Bashir government has also increased support for heavily armed militias of Arab tribesmen, the traditional enemies of the Southern blacks. Militias have been responsible for extensive atrocities in the South, including killings, torture, rape and enslavement. General Bashir has strengthened the government's relations with these bands, appointing a brigadier general to lead them. Since then, reports have surfaced of a massacre of hundreds of civilians by armed Arab militiamen. And at least 90 people were said to have been slain inside a police station, where they had sought refuge.

Clearly, diplomatic protests to General Bashir are not enough. The United States should combine strong public condemnation of the government with economic sanctions. It should make it plain that it opposes a pending $20 million loan to Sudan from the World Bank, and urge its allies to do the same.

The Bush administration should comply with a provision of U.S. law that suspends trade benefits to governments that do not accord internationally recognized workers' rights. And it should work to raise the case of Sudan at the UN Human Rights Commission.

Few governments can indefinitely isolate themselves from international pressure. The rights abuses committed under General Bashir have earned his government the status of an international pariah. We should treat it as one.

The writer is director of the Washington office of Human Rights Watch. She contributed this view to the International Herald Tribune.

100, 75 AND 50 YEARS AGO

1890: Canonizing Joan

ROME — The cause for the canonization of Joan of Arc is to be discussed by the Cardinals belonging to the Sacred Congregation of Rites. Before canonization proper, she has to go through two grades beforehand — becoming first Venerable, then Beatified. Every minute particular of her life is being looked into by Mgr. Caprara, a learned Vatican employee. "I am known amongst my colleagues as 'l'avvocato del diavolo' because my business is to find out all the sins committed, and all the worst points in the life of the person who is to be beatified or canonized. Once the Pope consents, Joan of Arc will be made Venerable. Before she is Beatified, it is necessary that in the course of her life she should have accomplished four miracles — like being wonderously cured or miraculously saved from an accident because it happened in her presence. Once Blessed it is necessary that two other miracles should happen and then she will become St. Joan of Arc."

1915: Roumanians at Risk

ATHENS — Roumania, under pressure of public opinion and being unwilling to allow Roumanians to suffer persecutions by the Austrian army, especially in Transylvania, has decided to send Roumanian troops into Austrian territory. This step is not considered at Bucarest as a declaration of war, but simply a temporary occupation to protect Roumanians suffering from the evils of war.

1940: Nazi-Soviet Ties

BUCHAREST — Soviet Russia has reportedly agreed to cede the oil fields of southern Poland to the Nazis. Berlin and Moscow had decided on a new partition of Poland favoring Germany. This is believed to form part of a new accord by which Russia consented to give the Reich a wide slice of territory along the Hungarian and Roumanian frontiers. Such a deal would mean the beginning of close German and Soviet co-operation.

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ACROSS
1 Change Montana's shoulder guards
8 P.O.W. camp
12 Gem
18 Hotel and mall features
19 Myself, in Melun
20 Father's "My ——"
21 Drug-related
23 A woman's cloak of yore
24 Fervent; strong
25 Skipjack
27 In any way
28 Conked out
29 Very, in music
32 Scale-song phrase
34 Tall Asiatic tree
35 Stick in one's ——
37 Exactly
39 Market
41 "—— the season . . ."
42 Inventor of an early telescope
46 Roman magistrates
48 Reading room
51 Pinna
52 Refer (to)
53 "—— the sweetheart of . . ."
54 Execrates
56 Deride
57 What to call a Spade
58 Solar deity
59 Fax relative
61 Fan
65 Baker or Bryant
67 "—— take arms . . .": Hamlet
69 Fouls up
71 ——-ground missile
72 Pines
74 Average
76 Father of "robots"
78 What an M.D. hears, sometimes
79 Cheeses
81 Calmed
83 Octo

K. Carter/The Associated Press

SOUTH AFRICA POLICE ROUT PROTESTERS — Police with dogs dispersing about 100 anti-apartheid activists demonstrating Friday against an English cricket team defying a ban on sports ties with South Africa. The demonstration occurred at Jan Smuts Airport to protest the team's arrival. Several bloodied activists were arrested. Team members face five-year bans.

Arthur Goldberg, Jurist and Diplomat, Dies at 81

By Eric Pace
New York Times Service

NEW YORK — Arthur J. Goldberg, 81, who rose from humble beginnings in Chicago to become Secretary of Labor, a Supreme Court Justice and then U.S. representative to the United Nations, was found dead Friday in his apartment in Washington.

Dr. Michael Newman, Mr. Goldberg's physician, said the former justice died late Thursday or early Friday of cardiac arrest from coronary artery disease. A maid found the body lying on a sofa.

Appointed to the Supreme Court on Aug. 29, 1962, by President John F. Kennedy, Mr. Goldberg stepped down reluctantly three years later at the urging of President Lyndon B. Johnson, who named him UN delegate after the death of Adlai E. Stevenson.

A particularly wrenching decision that was a turning point in his life occurred when Mr. Goldberg gave up his lifetime appointment to the Supreme Court at Mr. Johnson's urging to assume the UN post in 1965. It was a decision he later said he regretted.

On the one hand, as Mr. Goldberg said years later, he believed that as UN representative he could reverse the Johnson administration's Vietnam policy and bring about peace negotiations. On the other hand, it meant giving up a judicial position in which Mr. Goldberg's admirers believed he would have made a greater mark on American history.

"In all candor," Mr. Goldberg said the day he was named to the UN post, "I would rather the president had not asked me to undertake this duty."

Three years later, the justice-turned-diplomat resigned, citing frustrations and disappointments, including "the limitations of the scope of my office" in regard to getting the United Nations involved in a Vietnam peace effort.

In 1970, Mr. Goldberg entered the race for governor of New York as the Liberal-Democratic candidate, but he was soundly defeated by the Republican incumbent, Nelson A. Rockefeller.

Mr. Goldberg was an owlish, unimposing figure with remarkable energy and legal, judicial and negotiating skills. Mr. Johnson praised him in his memoirs as "a skilled arbiter and a fair-minded man."

It was in 1961 that the Chicago-born lawyer, then general counsel of the United Steelworkers of America, was named secretary of labor by Mr. Kennedy. In 1962, Mr. Kennedy appointed him to the Supreme Court.

On the Supreme Court, he quickly became influential as an innovative judicial thinker whose arrival, to succeed the more conservative Felix Frankfurter, tilted the court toward liberal activism.

In 1971, after the gubernatorial campaign, Mr. Goldberg returned to Washington where he resumed his career. He also did part-time teaching, was called in on international arbitration cases and served in the Carter administration as an ambassador-at-large.

In that role he was chairman of the U.S. delegation to a follow-up conference, in 1977 in Belgrade, on the 1975 Helsinki agreements on human rights.

Despite Mr. Goldberg's misgivings about leaving the court for the United Nations, he had some successes as the United States representative there. Some admirers felt his most significant achievement was his role in drafting Security Council Resolution 242, which was passed in November 1967 after the Middle East war that year. The measure has been a cornerstone ever since in diplomatic efforts to bring peace to the Middle East.

Herbert Wehner, 83, West German Politician

BONN (AFP) — Herbert Wehner, 83, the former chairman of the Social Democratic Party who was an important figure in shaping the policies of West Germany, died here Friday after a long illness, party sources said.

Mr. Wehner was a Social Democratic member of parliament from 1949 until 1983. At his urging, the party adopted an anti-Marxist and Atlanticist line.

Bhagwan Shree Rajneesh, Guru Deported by U.S.

NEW DELHI (AP) — Bhagwan Shree Rajneesh, 58, the guru who drew thousands of followers to central Oregon by preaching a blend of Eastern religion, pop psychology and free love, died Friday of heart failure, his spokesman said.

Mr. Rajneesh, also known as Osho Rajneesh in recent years, died at his commune in the southern city of Poona, India, where he settled after being deported from the United States in 1985.

POLICY: *Bush Assailed*

(Continued from page 1)

tude all along is that this is an important issue and an important principle is at stake here." The vetoed measure, he said, "sends a signal that is not helpful in his efforts to restore better relations with China and improve the situation in that country."

The House minority leader, Robert H. Michel, Republican of Illinois, joined Mr. Gingrich last week in urging the White House chief of staff, John H. Sununu, to avoid a battle on the veto. But Mr. Michel indicated Thursday he would support the president.

Mr. Gingrich, by contrast, used unusually blunt language in rejecting the administration's position.

"I think the president made a mistake," he said. "I cannot for the life of me understand what their strategy is," he said, adding: "I do not believe you gain anything in the long run by letting the Chinese dictatorship believe that you value their friendship enough that you will tolerate brutality and repression."

The Bush administration has cited the recent announcement of the ending of martial law in Beijing as evidence that its policy is working. But Mr. Gingrich said he was unimpressed.

8 Die in Zimbabwe Accident

The Associated Press

HARARE, Zimbabwe — Eight persons died, 25 were injured and three were missing after a bus was swept off a flooded bridge in northeastern Zimbabwe, the police said Friday.

JAPAN: *Shooting Spotlights Far Right's Ties to Crime*

(Continued from page 1)

about Hirohito, Mr. Motishima was dismissed from his position as the head of the ruling party's local branch.

The shooting suspect, Mr. Tajiri, was apparently known by the police as a potential threat well before the episode on Thursday, and there was some question why the mayor could not have been better protected.

In May of 1987, for example, Mr. Tajiri appeared on a morning television talk show about far-right groups and was asked if he believed in the use of terrorism against those whose opinion was different from his. "Yes, because for right wingers, terrorism is the core," he said.

According to news accounts Friday, Seiki Juku was established in 1981 with headquarters in Nagasaki and branches in other cities. Specialists in far-right groups said it is a well-known group but not large, with perhaps only about a dozen active members.

One specialist on ultranationalist activities, Masayuki Takagi, a writer at the Asahi Shimbun, said there are about 840 far-right groups in Japan with a total of 125,000 members, with the number increasing each year.

Mr. Takagi said that organized crime had spread through most of the far-right groups, but that far-right terrorism had generally been decreasing in Japan.

Only about 50 of the far-right groups with a membership of 22,000 are said to be watched by the police, according to Mr. Takagi. According to news reports Friday, the Nagasaki police identified the Seiki Juku as a kind of front organization for organized criminals.

CHINA: *Record Harvest*

(Continued from page 1)

bumper crop fairly smoothly, apparently without large debts.

Other major Chinese newspapers did not report the exact size of the record harvest. In fact, the harvest fell short of the official target of 410 million tons for the year, and grain production per capita is still below the 1984 level.

A brief report Friday in the Economic Daily, which did not publish the size of the harvest, suggested a cautious attitude toward the figures.

"Since 1985, our nation's agricultural production has fluctuated year after year, and only last year did the total grain output break the 1984 record," the report said. "But this doesn't change an environment of fluctuation and the situation is still extremely severe."

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BORDER: *An Armenian Village Finds Itself on Front Line of Civil War*

(Continued from page 1)

by the scale of the problem. The 100 or so Soviet soldiers in Yerashkhavan seem more concerned about defending themselves than preventing Azerbaijanis and Armenians from fighting.

Witnesses say that one of the Armenians killed in the fighting Thursday was shot by a Soviet soldier outside a hut on the outskirts of the village where the army is billeted.

The residents of Yerashkhavan, which has a population of about 2,000, blame Mr. Gorbachev for the passivity of the security forces both there and in the Azerbaijani capital, Baku, where about 50 Armenians were reported to have been killed in pogroms.

Once a hero in Armenia for his policy of glasnost, or openness, Mr. Gorbachev is now viewed by many Armenians as a villain second only to the leaders of Azerbaijan.

"Gorbachev is a scorpion, a murderer," said Gagik Sadoyan, who volunteered to fight with a irregular army mobilized by the Armenian National Movement, a citizens' organization. "We don't need Soviet soldiers to protect us. We are better off without them, relying on our own forces."

The standoff in Yerashkhavan between Armenians and Azerbaijanis reflects the situation in many border areas where the republics once lived peacefully side by side.

The village abuts Nakhichevan, an enclave awarded to Azerbaijan in 1921 in order to give it a common border with Turkey. But a similar atmosphere of war has gripped ethnically mixed regions of western Azerbaijan, particularly the disputed Nagorno-Karabakh Autonomous Region.

Azerbaijanis blame the conflict on attempts by Armenia to win political control over Nagorno-Karabakh, which is largely populated by Armenians but has been an autonomous province of Azerbaijan for 67 years.

The following account of the clash Thursday is based on Armenian sources. Western journalists have been barred from traveling to Azerbaijan.

According to the Armenian version, Azerbaijanis began firing at Yerashkhavan on Thursday morning. Armenians took up positions outside the wine factory, about 350 meters from a similar wine factory under Azerbaijani control.

At about 3:30 P.M., after several hours of sporadic gunfire, Armen Markhakyan joined other Armenians outside the wine factory. He said he was confronted by a group of 60 Azerbaijanis with automatic rifles. The Armenians said they were at a disadvantage since they were armed with only shotguns.

The next thing Mr. Markhakyan remembers was the explosion of either a grenade or a mortar shell that sprayed shrapnel into his leg.

At about the same time, the accountant of the Armenian wine factory, Rubik Bazikyan, was shot and killed by a sniper firing from the direction of the Azerbaijani wine factory.

Interior Ministry troops that were sent to Armenia to restore order, meanwhile, kept well out of the fighting.

At around 6 P.M., a group of 20 villagers approached the soldiers' quarters. One of them, Artur Abramyan, insisted that their aim had been to appeal for help to repulse the Azerbaijani attack. But the Armenians said that the soldiers panicked, and that Gevog Zealyan, 28, was shot through the head from a distance of about 35 meters.

Two hours later, a new Interior Ministry unit was ordered into the village. The political officer of the new unit, Lieutenant Konstantin Belomuzov, insisted that he had been told nothing about the shooting of a civilian.

Taken to see a patch of red ice on the spot where the villagers said Mr. Zenalyan had been shot and killed, the officer said, "Perhaps it's not blood, perhaps it's paint."

Doctors at the local hospital later confirmed that the ice contained human blood and that Mr. Zenalyan had been killed by a bullet and died on the spot.

Witnesses said the Armenian side counterattacked on Friday afternoon, using artillery pieces and Katyusha rockets brought from Yerevan to bombard Azerbaijani positions above the village.

The Armenians brought up three trucks with rockets, plus hand-held missiles, which they stationed in the courtyard of the wine factory and fired at the other side. They also had two large 135-mm cannon.

MAYOR: *The Ramifications Are Great, but the Tragedy Is Even Greater*

(Continued from page 1)

pale. He went to clubs. He accepted a political donation at a strip joint. His wife conceded that he played around. And always he was stalked by rumors that he used illicit drugs.

Washington may be a world capital, but it remains something of small town. In the newspapers, it was always "alleged" that the mayor used drugs. Elsewhere, the allegation was accepted as fact.

There were witnesses, friends of the witnesses — someone who knew someone who had been at a certain party. The U.S. Attorney's Office opened an investigation and, as a result of it, one of the mayor's former girlfriends, Karen Johnson, said she had supplied Mr. Barry with drugs. In December, yet another person, Charles Lewis, made the same allegation, but like Miss Johnson, he was in trouble himself.

A rule of thumb is to substitute the word "white" for "black" and then to wonder whether race or racism is a factor. But, really, there was no way to do that in Mr. Barry's case.

Repeatedly, he called his critics racists and, indeed, some of them were. Nothing could be more satisfying to some white Americans than to see a prominent black make a stupendous fool of himself.

But even the charge of racism, while usually beside the point and essentially demagogic, was hardly something new to American politics. In the old days, more than one Southerner used race-baiting as a politics of last resort. For a black politician to do the same thing was, in a way, a testament to progress.

But Mr. Barry is as inescapably black as he was the mayor of Washington. That made him one of the country's most prominent black politicians. Never mind that his city is barely self-governing and that, compared to Los Angeles or New York, it's a hamlet.

Mr. Barry had the title and, more than that, his "constituency" consisted of every Washington bureau of every news organization under the sun. The challenge for the media is always to take a local personality and make him national or international. Mr. Barry met that challenge on his own.

Just recently, for instance, he told the Los Angeles Times that he was "invincible" as a politician and an increasingly gifted lover as a husband. For the press, if not for Mrs. Barry, the earth moved.

The laughs, the giggles, the sheer enjoyment of seeing a public figure play the fool, masks a tragedy.

Marion Barry is no buffoon. Born poor in Mississippi, he became Washington's mayor by dint of awesome energy and an almost reckless courage. In his civil rights days, he took on everyone.

Before he was mayor of the city, he was mayor of its streets. He knew them. He organized them and championed them not with the U.S. Congress or the business community, but also with the city's black professional class, which saw him as an uncouth outsider — a bit too dark, a bit too pushy, a bit too much of a stereotype. What would whites think?

Well, what do whites think?

Many blacks think they know the answer. Marion Barry is an embarrassment, the vindication of racism. But, of course, he is nothing more than a man who, like Gary Hart, slipped on the banana peel of personal problems and splattered before a zillion flash cameras.

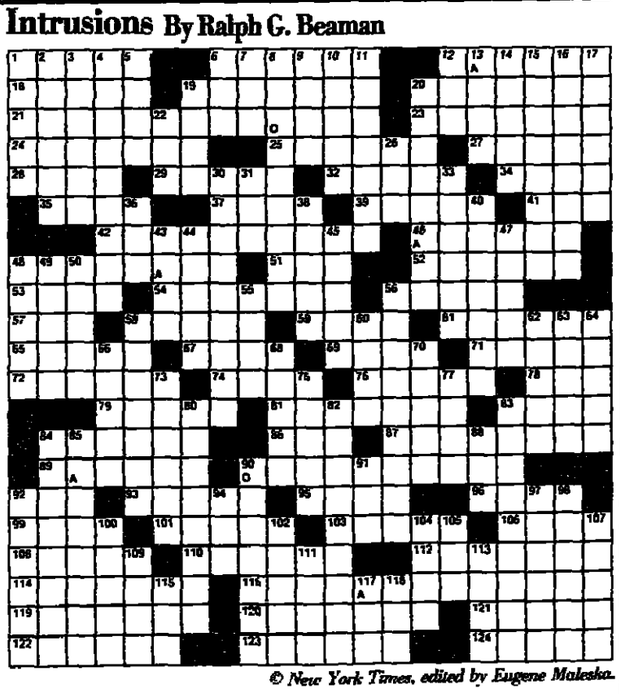
But for blacks, the talent pool is relatively shallow and each fallen politician collapses with the thud of a regiment. The ramifications are great, as Mr. Jackson said, but the tragedy is even greater.

Mitterrand to Meet Thatcher

Agence France-Presse

PARIS — Events in Eastern Europe were expected to top the agenda when President François Mitterrand meets Prime Minister Margaret Thatcher of Britain here Saturday, diplomatic sources said Friday.

Intrusions By Ralph G. Beaman



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ACROSS

1 Change Montana's shoulder guards
6 P.O.W. camp
12 Genii
18 Hotel and mall features
19 Myself, in Melun
20 Cather's "My ——"
21 Drug-related
23 A woman's cloak of yore
24 Fervent: strong
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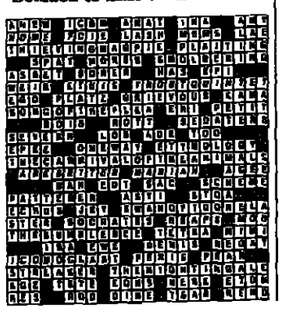
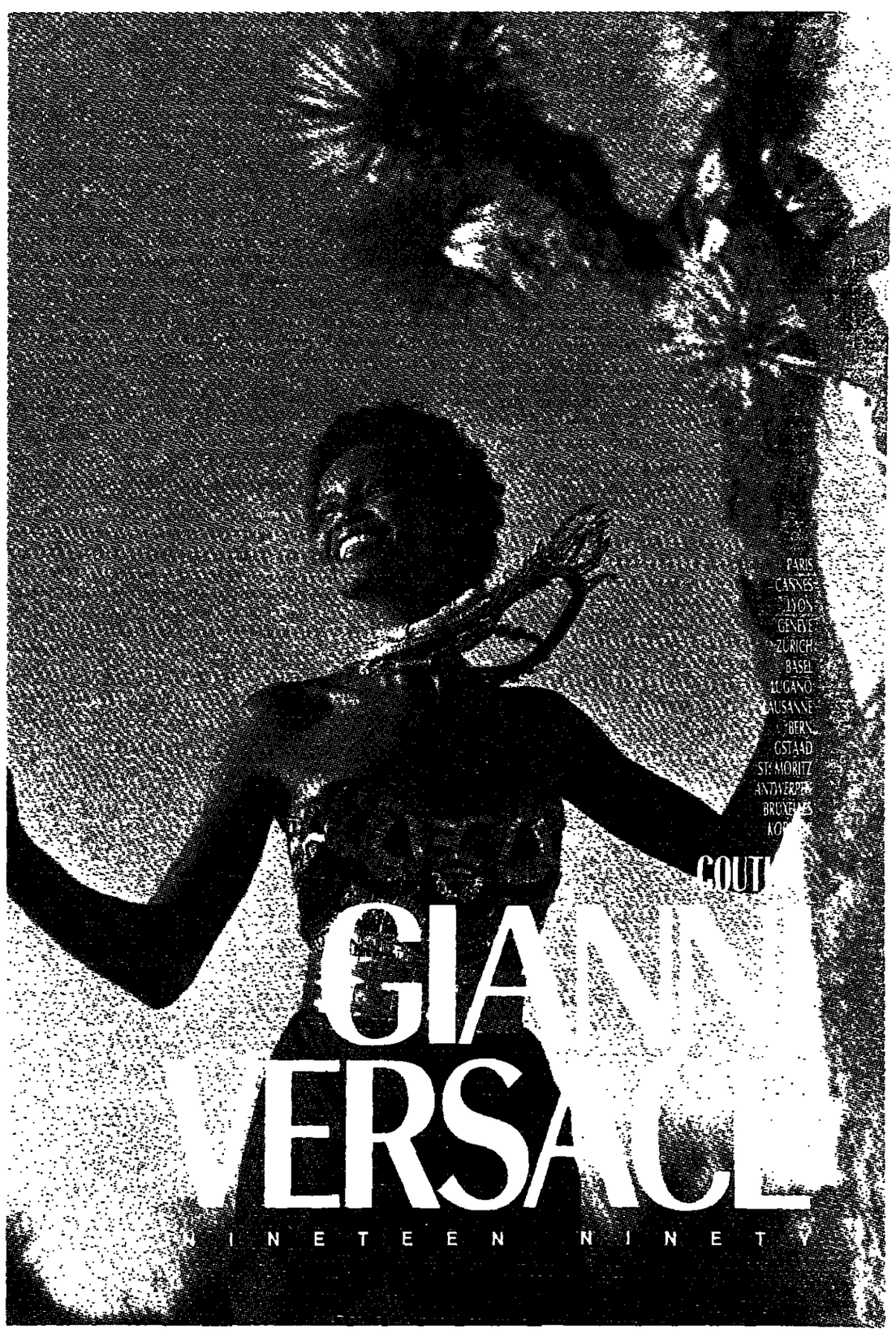
32 Scale-song phrase
34 Tall Asiatic tree
35 Stick in one's ——
37 Exactly
39 Marker
41 "—— the season . . ."
42 Inventor of an early telescope
46 Roman magistrates
48 Reading room
51 Puma
52 Refer (to)
53 "—— the sweetheart of . . ."
54 Execrates
56 Deride
57 What to call a Spade
58 Solar deity
59 Fax relative
61 Fan
65 Baker or Bryant
67 "—— take arms . . .": Hamlet
69 Fouls up
71 —— -ground missile
72 Pines
74 Average
75 Father of "robots"
78 What an M.D. hears, sometimes
79 Cheeses
81 Calmed
82 Octo
84 Hard to get
86 Peruvian gold
87 Measure of film sharpness
89 Break
90 About the science of viniculture
92 Letters on a chasuble
93 Founded (on)
95 French I verb
96 Large U.S. problem
99 Land between Aram and Edom
101 "Network" director: 1976
103 Metrical feet
106 Gp. that gave Glenn a lift
108 Scrutinized
110 Branchlike
112 Cohort
114 Former
116 Schliemann and Carter
119 Two- —— (tandems)
120 Christmas-berries: Var.
121 Relative of dill and carrot
122 Conductor Ansermet
123 Gen. with G. Washington
124 Sandy tracts, in England

DOWN

1 Speedy
2 Of a people
3 Famous park in Vienna
4 Terriers
5 Denounce
6 —— Canals
7 Iceberg feature
8 Infections caused by protozoans
9 Smooth: Comb. form
10 Church Society since 1714
11 In an icy manner
12 Genetic letters
13 Site of a fire god's smithy
14 Jake La—— of ring fame
15 Playlet
16 Worker with black alloy on metal
17 —— à manger (dining rooms)
19 Postgrad degrees in public works
20 Alternately responsive, as verses
22 Third king of Judah
26 Kind of wagon or pot
30 Skiers' maneuvers
31 Assamese native
33 More embarrassed
36 Achieve
38 Word with life or entertainment
40 Dixie tree
43 Child: Comb. form
44 A —— (from boyhood, to Pliny)
45 First , in Berlin
47 "Vive ——!"
48 Evaluate
49 Title Macbeth held
50 Blood condition: Comb. form
55 This, to Pedro
56 Artifice
58 Polish manually
60 Old chest for valuables
62 Retinue
63 Moral code
64 Spill wiper on TV
66 C.E.O.'s aide
68 George —— Welles
70 Class with common attributes: Comb. form
73 Holy
75 Ancient Ethiopian capital
77 Part of N.E.A.
80 Means to ends
82 In a stupid way
83 O. Henry's Jimmy
84 Tall beer glass
85 Operation by an obstetrician
88 Bit
90 Abnormal swellings
91 Domesday Book money
92 Kibitz, in a way
94 Estonian river
97 —— the belfry
98 African fly
100 She twice played Elizabeth I
102 "The Devil knows how ——": Coleridge
104 Palais social events
105 Nigerian native
107 Upbeats, in music
109 Roman day
111 U.S.C. rival
113 Victorian oath
115 Tough actor
117 Very long time
118 Quarter of four

Solution to Last Week's Puzzle





Case Closed on Art Mystery

Scholars Restore a Bellini, Reveal Other Layers

By Paul Richard
Washington Post Service

WASHINGTON — After four years of scientific scrutiny, the case of "The Feast of the Gods" — one of the great mysteries in Renaissance art history — has been resolved.

It is a mystery contained in a single wondrous picture, which — now newly cleaned and restored to its full splendor — has returned to view at the National Gallery of Art.

Its story involves a duke with rich, erotic tastes, Lucretia Borgia, a pair of mighty masters, a second-level hack, an unprincipled "restorer" and centuries of consequent scholarly befuddlement.

"The Feast of the Gods" was painted — first — by the aging Giovanni Bellini of Venice, that rather decorous and formal quattrocento master. Thanks to the careful investigations of scholar David Bull, the gallery's conservator of painting, we now know that its background landscape was then heavily repainted, and pretty well ruined, by the second-rate Dosso Dossi of Ferrara. Only a few years later, the overpainted landscape was painted once again, and this time much improved, by Titian, the great cinquecento master.

The painting, in its shifting styles, thus appears to bridge two centuries: Bellini's many figures look backward toward the stiffnesses of Renaissance formalities while Titian's windswept foliage anticipates the Baroque.

The duke who called "The Feast of the Gods" into being 470 years ago was Alfonso d'Este of Ferrara. The painting was commissioned from Bellini as a major decoration for Alfonso's bedroom-study, a chamber he had filled with images of satyrs, half-clad nymphs and dryads, lusting gods and goddesses, and sensuous bacchanals.

The feast he commissioned recounts the story of Priapus and Lotis, and Silenus and his ass, a tale told by Ovid: Those deities, and other gods, had gathered for a party in the groves of Mount Olympus. Most proceeded to get drunk. Priapus was about to have his way with the sleeping Lotis when that beauty was awakened by the braying of Silenus's ass. Bellini's vision of that close call is a rather decorous frieze. Priapus lifts up Lotis's dress at the composition's right, while the ass, who saved her chastity, poses rather proudly at the picture's left.

The Bellini, which is signed and dated, was completed in 1514 and paid for at that time. Bellini died two years later, but the decoration of Alfonso's study had only just begun. In the next few years he had Dossi, his court painter, paint various panels for the ceiling. Then, raising his sights, he turned to Titian, then just entering his fame.

Titian, in the 1520s, painted three luscious bacchanals — "The Worship of Venus" and "The Andrians," both now in Madrid, and "Bacchus and Ariadne," now in London — for Alfonso's private room.

Though it had been known for centuries that Titian and Bellini had both worked on the picture (we are told so in Vasari's "Lives of the Painters"), nobody knew how to tell exactly who had painted what until John Walker, then the National Gallery's director, began to unravel the mystery 35 years ago.

X-rays taken then revealed that the picture had originally included a background of stiff trees in Bellini's familiar style. A third hand appeared too. "It has never been known," wrote Walker, "that the picture we see has had three backgrounds: a landscape of trees extending across the canvas which seems unquestionably to have been by Giovanni Bellini, the magnificent scenery of the present painting, which seems as unquestionably by Titian, and an intermediary landscape the author of which is uncertain. . . . The real problem is the second landscape."

Thanks to David Bull's research, that problem has now been solved.

"Johnny Walker," says Bull, "had his X-radiographs, his eyes, his intelligence, and an extremely dirty painting. It is amazing he discovered as much as he did."

Bull and his colleagues had a more impressive arsenal: stereoscopic microscopes, X-ray diffraction powder analysis, chemical microscopy, energy dispersive X-ray fluorescence analysis and infrared reflectography. They also took more than 70 tiny paint samples (each smaller than the period at the end of this sentence) that, set in blocks of plastic and magnified 200 times, allowed them to examine the layerings of the paint.

Having seen the painting clearly, they have demonstrated convincingly that Dossi painted the second landscape (Walker had thought that possible, but unlikely). They have also shown that the retouches on the figures, which Walker thought the work of an eroticizing Titian, all came from the second thoughts of Bellini's brush.

In the cleaning they removed the thick, and partly opaque, layer of yellowish-brown varnish that had hidden Bellini's colors for about 200 years.

Bull, who was trained as a painter in Britain and who later served as director of the Norton Simon museum in Malibu, believes that brownish varnish was applied by Vincenzo Camuccini, the Roman dealer and restorer who acquired "The Feast of the Gods" from the Papal collections in 1797. Bull believes that Camuccini toned the colors down on purpose. For he had purchased an old painting and felt it would look better with an antique "golden glow."

"The Feast of the Gods," which was bequeathed to the gallery in 1942, will be returned to Venice — for the first time since it left Bellini's studio there — for a Titian exhibition after the current show closes April 29.

The restored "Feast of the Gods" is back on view at the National Gallery in Washington.

Images of American Blacks Seen in a White Mirror

By Michael Kimmelman
New York Times Service

WASHINGTON — "Facing History: The Black Image in American Art, 1710-1940" is an exhibition that no thinking person can walk through without feeling a measure of both sorrow and anger.

The 100 or so paintings, sculptures and drawings gathered at the Corcoran Gallery of Art testify to a racism so ingrained in the American consciousness that artists — the overwhelming number of whom were white, but some of whom were black — thought nothing about stereotyping blacks as "grotesque buffoons, servile menials, comic entertainers or threatening subhumans," writes Guy C. McElroy, the show's curator, in the exhibition catalogue.

It is the casualness of the cruelty that leaves the deepest impression on a viewer. Sometimes the methods of expression are sophisticated, the prejudices subtly masked. Yet to see in the context of this exhibition Thomas Eakins's depiction of a hunter and his guide, "Will Schuster and Blackman Going Shooting," is to be reminded that the artist has evoked not simply a life of leisure but another kind of life entirely.

The nameless, barefoot black man who steers Schuster's boat may be more sympathetically portrayed by Eakins than most of the blacks painted by American artists in the 19th century. Nonetheless, Eakins was inescapably a man of his time, and he took for granted the social and economic gulf that separated whites from blacks.

The image of Schuster and his guide is not the only well-known painting that McElroy has managed to cast in an unfamiliar light. Whatever may be the allegory behind John Singleton Copley's famous "Watson and the Shark," it is hereafter impossible to overlook the central role given to the standing figure of a black man holding a rope.

"Facing History," in other words, puts before the viewer a variety of images that have been either ignored by art historians or thought about largely in terms other than race, and it insists that these works be reconsidered.

Exhibitions have in the past dealt with portrayals of blacks in 19th-century American popular prints and cartoons. McElroy's show is the first to survey paintings and sculptures, and to underscore the fact that so-called high art was by no means above expressing the lowest of society's inclinations.

All of which is not to say, however, that "Facing History" can be counted a success. There are too many questions that McElroy leaves unanswered, many points that probably did not need making in the first place, and others that needed to be made far more forcefully. For every work by Copley and Eakins and Homer that the curator has assembled, there are a dozen minor paintings by forgotten artists whose racism comes as no revelation.

It is depressing to learn that the painter of "Uncle Tom and Little Eva" was Robert Scott Duncanson, a black artist. But to discover that a white painter named Charles Deas depicted blacks in the 1830s as either cowering weaklings or monstrous creatures, or that a work from the same period attributed to a white artist called Charles Winter represents a minstrel show in which blacks are made to seem like animals, is really to learn nothing unexpected.

Augustus Saint-Gaudens's head of Civil War soldier.

Arguing, as McElroy apparently does, that better artists, like Copley, Homer and William Sidney Mount, relied less on crude caricature and predictable formulas than a Deas or a Winter is only another way of claiming that Mount and Homer and Copley were better painters.

THAT is to say, "Facing History" mostly tells us what we already knew, or at least what we suspected. What it does not tell us — and what presumably should be of fundamental importance to a social art historian like McElroy — is about patronage and provenance.

Who bought these paintings? Where did they hang? What, if anything, was written about them? "Facing History" obviously has as one of its underlying themes the notion that these paintings and sculptures should be thought about not simply in aesthetic terms but also on political and economic grounds. Yet viewers are often left uninformed about the financial history of these works.

That is not always the case. Among the most interesting paintings in the exhibition are the two or three commissioned by middle-class black families and black politicians, and one very moving silhouette of a slave from 1796.

A portrait of a black man by Joshua Johnson, the first black artist to achieve prominence in America, is one of the few unqualifiedly dignified images in the show, as is the staid but respectful portrait of William Whipper by William Mathew Prior, an early 19th-century painter and writer on behalf of abolitionist causes.

The silhouette of Flora, a slave, accompanied her bill of sale in 1796 in Connecticut, and while never intended as a work of art, it has a poignance that is nowhere else to be found in this exhibition. There could be no better metaphor

> *It is the casualness of the cruelty that leaves the deepest impression on a viewer.*

for the attitude of whites toward blacks than this spectral profile of Flora's head made by tracing her shadow.

But it would have been useful to know as much about other works in this exhibition. And it would have been very good to see more of the popular images on which these paintings were, directly and indirectly, based.

Seeing in some depth how painters and sculptors transformed the banalities of printmakers and cartoonists would arguably have been a more valuable contribution by McElroy than the overview of 230 years of artistic activity he provides.

When arriving at the 20th century, "Facing History" can give only the sketchiest outline of how blacks were portrayed in art before World War II. There are a few works by Ben Shahn, Thomas Hart Benton and Reginald Marsh and a hint of what the Harlem Renaissance fostered, but these paintings almost seem to belong to another exhibition, so different are they in tone and subject from most of the other images in the show.

The catalogue reproduces several prints and cartoons that are not displayed on the walls, and it includes an essay by Henry Louis Gates Jr. that focuses largely on the portrayal of blacks in American literature.

WORKS in the exhibition were borrowed from several dozen public and private collections. One university declined to lend a painting to the show, contending there was no value in displaying derogatory images of blacks.

Given the uproar it provoked last year after canceling an exhibition of photographs by Robert Mapplethorpe, the museum is obviously cautious about displaying any works that can be considered inflammatory. It is not surprising, therefore, that the Corcoran has included an unusual number of lengthy wall texts, many of which condemn in the clearest possible terms the racist nature of the paintings and sculptures.

"Facing History: The Black Image in American Art, 1710-1940," at the Corcoran Gallery of Art through March 25, then at the Brooklyn Museum from April 20 to June 25.

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Room 1 at 2 p.m. ABSTRACT AND CONTEMPORARY PAINTINGS. MODERN PAINTINGS. Me BRIEST, 24, ave. Matignon, 75008 Paris. Tel.: (1) 42 68 11 30. Fax: (1) 42 68 12 67.

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Monday, January 29
Room 14 at 2:00 p.m. ENGRAVINGS, WATERCOLOURS, GOUACHES, PAINTINGS, PHOTOGRAPHS, SCULPTURES, by Antill, Bedikian, Chahine, Jansen, Zadkine - PROCEEDS GO TO THE ARMENIAN ORPHANS (3rd SALE). COMPAGNIE DES COMMISSAIRES-PRISEURS DE PARIS - "AZNAVOUR POUR L'ARMENIE" - DROUOT, 9, rue Drouot, 75009 Paris. Tel.: (1) 48 00 20 20. Fax: (1) 48 00 20 35.

Friday, February 2
Room 4 at 2 p.m. PAINTINGS, FURNITURE, EXQUISITE FURNISHINGS, OLD FRAMES. Me CHOCHON, CHOCHON-BARRE, ALLARDI. Tel.: (1) 47 70 38 37.

Saturday, February 3
Room 14 at 2 p.m. CARPETS, ANTIQUE TAPESTRIES. Me CHOCHON, CHOCHON-BARRE, ALLARDI, 15 rue de la Grange-Bateliere, 75009 Paris. Tel.: (1) 47 70 38 37.

Monday, February 5
Rooms 1 and 7 at 2:15 p.m. MODERN AND CONTEMPORARY SCULPTURES. Me HOEBANX-COUTURIER, Paris-Auction, 10, rue Chauchat, 75009 Paris. Tel.: (1) 47 70 82 66.

Bankers and the Art Market: Money Skills Are Not Enough

"Detail of Six Recruits," above, from "India Revealed" show. Left, "Portrait of a Young Couple Holding Hands."

LONDON — The heat is rising on the art market. As money keeps pouring in from quarters previously unconcerned with the finer nuances of van Gogh's oeuvre or the genius of Bernini as a Baroque sculptor, the stage looks set for a cascade of increasingly thorny problems.

The winners will be those with the old school connoisseur's insight into art, not just the art historian's professorial aptitude at telling you all about the artist's dates or the financier's skills at setting up the investment plans. The banking world is awakening to the new reality, or so the latest developments would seem to suggest.

On Feb. 1, Citibank will formally open the London office from which the new European branch of its Art Advisory Service will be

SOUREN MELIKIAN

operating. Established in New York in 1979, the service thus recognizes the dramatic expansion of European activity in this field. But what makes the initiative significant is the personality of the man running the show, 49-year-old Ian Dunlop, a most unconventional upper class Briton who went to Eton, studied "mental and moral science" at Trinity College in Dublin, and driven by an irresistible attraction to art, acquired a triple background rarely found in one man.

He started out as an art correspondent for London dailies. From 1965 to 1970, he was the art critic of the Evening Standard and from there went on to books. "The Shock of the New," published by Weidenfield and Nicholson in 1972 — two years later, Robert Hughes found the title so good that he used it for his book on modern art — is a highly original analysis of the seven art shows that had the greatest impact on the perception of art, from the Salon des Refusés, the "rejected" painters, in 1863, where Manet and others appeared, to the "Entartete Kunst" ("Degenerate Art") show in Munich put together by the Nazi government in the hope of exciting disgust. It got him the coveted "Art Book of the Year" prize but, he muses in passing, "did not make much money."

SEVEN years later, he produced the first comprehensive monograph on Degas, which has not been surpassed in originality. "Degas, Life and Times" he says self-deprecatingly, is "an attempt to link the painter's life to social history and parallel for example his interests in painting and photography." Thames and Hudson published it and there was a French translation, but that was not much of a money spinner either.

He left history for commerce in 1973. Marc Blondeau, then emerging as one of Sotheby's aces on Impressionist and Modern Masters, was leaving its Los Angeles office to join the New York department. Dunlop took over. Later, he too went to New York, where he was head of the contemporary paintings department, contemporary art being one of his great interests. The next step took him to the appraisals and estates division, where he strengthened his grasp of art prices.

He was involved in appraising the paintings from the estate of John Hay Whitney, Nelson Rockefeller, Joseph Hirshhorn — now at the Hirshhorn Museum in Washington — and others. He remembers getting carried away by the "Irises."

"At first we put a terrifying amount on it $4 million or $5 million. No such price had ever been paid at auction." Eventually, they set it at $2 million. When the "Lapin Agile" — sold last fall for $44 million — came to their attention, they valued it at $1.5 million, with some trepidation at their boldness.

There followed the art market slump of 1981-82, and the severe crisis at Sotheby's, with a first takeover attempt. After a 10-year stint as an auction house man, Dunlop felt it was time for him to have his share of the overall rising market. He turned to dealing. With friends from Sotheby's and elsewhere, he founded the "Artis Group," a sort of dealers' club in which they shared overheads on the same premises on East 76th Street in Manhattan, each one focusing on his field. They teamed up on certain projects. Dunlop

Citibank's Ian Dunlop.

and Thilo von Watzdorf, another of Sotheby's stars who left at that time, mounted an exhibition of architectural drawings that made a hit.

By 1987, he returned to Britain to have his son educated there, drawn also by the feeling that the market was slowing switching back to Europe. He briefly ran a London gallery he had inherited, just long enough to put together small, highly focused exhibitions of cherished subjects that had not been dealt with before.

One, "An Interesting Face . . . ," was on early 19th century portraits from France. There were charming pieces, such as a softly romantic portrait of young newlyweds, the young man touching the fingers of his spouse with one hand and putting the other on her shoulders in a shy, protective gesture. A snarling griffin serving as an armrest to the sofa on which they are seated introduces a touch of gentle humor well suited to Dunlop's own. Anonymous, lighthearted, it is the very opposite of what the untrained eye of the investor would be looking at. "It did not sell," Dunlop says.

His next favorite was "India Revealed," through the collection of Indian miniatures commissioned to local artists by James and William Fraser between 1801 and 1835.

At that time, Dunlop was already setting his sights on serious matters. In June, negotiations started off with Citibank. Henry King, director of the Art Advisory Service was looking for the man who could become the linchpin of the bank's planned operation in Europe. On Sept. 1, Dunlop the art historian turned auction house man turned dealer took up his fourth career.

HIS multiple training will serve him in good stead. The idea of the Citibank service is to be of use to rich clients who buy art. This may range from advice on how to bid to such technicalities as shipping, clearing through customs, assessing the degree of restoration required — and whom to go to. There may be broader issues — which artist to choose in preference to another, or which work within this artist's oeuvre. The key difference between Citibank and its competitors is that it enjoys true in-house expertise. Others have to go to the auction house, playing into the hands of those in whose interest it is that prices go sky high, since their reward is a percentage.

The recruitment of men such as Dunlop may contribute to containing such little mishaps as the ongoing "Irises" drama. Van Gogh's still life was purchased anonymously in 1987 by Alan Bond, the Australian beer magnate turned art collector, for a mind-boggling $53.9 million within three weeks of the biggest stock market scare since World War II. Eventually the buyer first leaked, and then disclosed his identity. It turned out that Sotheby's had loaned half the amount, using the "Irises" as collateral — the agreement, they assured, was envisaged and concluded *after* the sale.

Christie's recently challenged Sotheby's to give proof that there was an underbidder. There were two underbidders at more than $40 million, according to Sotheby's president, Michael Ainslie, who says the company has now made public a letter from their firm of auditors expressing satisfaction that the operation was aboveboard. It would be more convincing if they said who the underbidder was. But there, of course, their concern for the client's "privacy and safety" prevails.

SOTHEBY'S says that loans will no longer be made to buyers of a work the day after the auction. They will have to wait three months. Hailed by some as a healthy measure, this will not change the present trend. Ainslie himself explains that the "purchaser financing" facilities were used only six times on a lot worth more than $1 million and once on a lot worth over $5 million. This is not a real issue.

The real problem lies in the psychological manipulation of buyers who are strangers to art, and to the art market, where the rules differ from those of other markets. One cardinal difference is that each work being unique, potential value is based on the individual's perception of its relative beauty or importance. There is less disagreement about this among professionals than outsiders often imagine, but not many are prepared to be candid about it — it may not be in their commercial interest. The other difference, never mentioned, is that repeated transactions at short intervals erode this value, as witness the "Irises" problem.

Asked if the "Irises" is back on the market — which will inevitably be the case if Bond sinks — Ainslie says no ("We have not been approached"), then refers the question to Bond ("We know he has received offers"), and finally admits that "it would not be advisable to sell it by auction." One is left with the impression that furious activity is going on backstage to find a white knight to quietly buy the cumbersome picture.

Asked about his estimate, Dunlop, who admires it, believes "Irises" is worth between $50 million and $60 million. Does he recommend it? "I would find it hard to recommend it for investment. It is certainly not the ultimate van Gogh. Nor is it the last one in private hands." Indeed. It now transpires in the trade that in May Christie's will be auctioning the portrait of Docteur Gachet in New York. The portrait, which shows a man leaning on an intensely red table set off by a blue ground, belongs to the artist's last period. Van Gogh mentions it in a letter dated June 3, 1890, written at Auvers-sur-Oise. Huguette Bérès, dean of the Paris Impressionist trade, says "this is among the 10 or so great van Goghs still in private hands." It will be fascinating to compare notes on these two works in May.

FOR SALE/SOLD

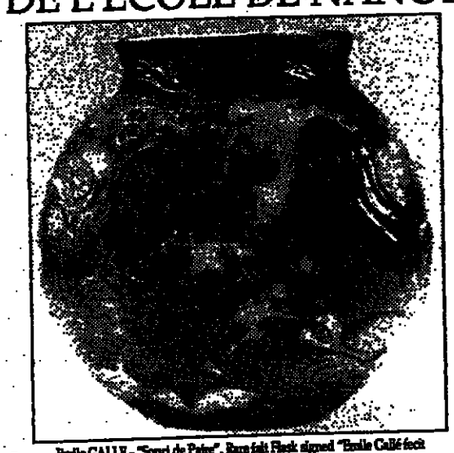
Polar souvenirs: Photographs, letters and objects tied to airborne polar exploration in the 1920s by the American Lincoln Ellsworth and the Norwegian Roald Amundsen will be auctioned by Christie's in London next month. In 1926, the two made the world's first transpolar flight, nearly 4,000 miles nonstop across the North Pole from Spitsbergen, Norway, to Alaska in an airship built and piloted by the Italian Umberto Nobile. The previous year, Ellsworth and Amundsen had made an unsuccessful attempt to reach the North Pole in two Dornier Wal flying boats. They were blown off course and forced to land on an ice floe more than 100 miles from their destination. Ellsworth had to rescue both his crewmen after they fell through the ice when the trio were walking to Amundsen's plane. "It seems remarkable when I think about it how narrow were all our escapes. Again and again it looked like life or death, we not knowing which," Ellsworth wrote later. The Feb. 8 sale includes a specially made board game for the capture of a "polar castle" with the instructions that the two men play it at the North Pole in 1926. The seller of the collection has remained anonymous.

□

Russian art: A Fabergé egg crafted in 1903 will go on sale April 19 at Christie's New York, with other Russian art. One of seven made for the Russian industrialist Alexander Kelch in 1903, the golden egg inlaid with precious stones is called the "surprise egg" by Christie's and opens to reveal a second egg of finely worked agate. For the purposes of the auction, the egg has been valued at $1.5 million.

AUCTION SALES

CHEFS-D'ŒUVRE
DE L'ECOLE DE NANCY



Emile GALLE - "Sourd de Paire". Rare fait Flask signed "Emile Gallé fecit 1888, Nancy". "Exposition 1889, Galerie d'honneur" Original Piece. H. 16,5 cm.

DROUOT-MONTAIGNE
15, avenue Montaigne, 75008 Paris
Saturday February 10, 1990 at 8 p.m.
On view : Friday February 9 from 10 a.m. to 10 p.m., Saturday 10 from 11 a.m. to 4 p.m.
Expert : Cabinet d'expertises CAMARD - Tel.: (1) 42 46 35 74
Catalogue on request at the auctioneer's office FF 150.
ETUDE TILORIER - BEAUSSANT
Auctioneers
46, rue de la Victoire, 75009 Paris - Tel.: (1) 40 23 92 12
Information : please contact, Pierre-Yves LEFEVRE at the auctioneer's office.

"ART EXHIBITIONS"
"ANTIQUES"
"AUCTION SALES"
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For more information, please contact your nearest I.H.T. representative or Brooke Pilley, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel.: 46.37.93.00. Telex: 613595

AUCTION SALES

GUY LOUDMER
AUCTIONEER
Paris - Drouot

IMPORTANT MODERN PAINTINGS
SUNDAY MARCH 25th, 1990 at 2:30 p.m.

To be included in the catalogue, contact the auctioneer's office before February 5, 1990

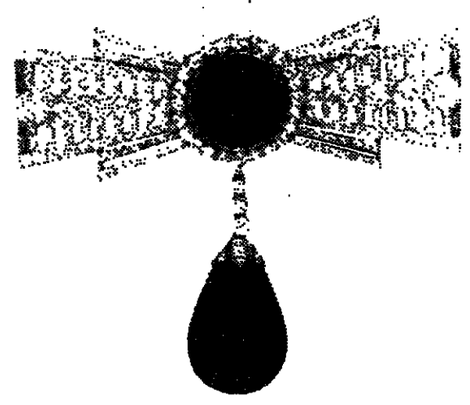
Direct satellite transmission of the sale between the HOTEL DROUOT PARIS and FUJI T.V. in TOKYO.

Francis PICABIA
"Petite Udnie" (1913-1914).
Oil on canvas. 197 x 197 cm.
Exhibition :
- "Rétrospective Picabia", Musée Cantini, Marseille, 1962, n° 21
- "Picabia", Guggenheim Museum, New York, 1970, 1971, n° 35, p. 81
- Grand Palais, Paris, 1976, n° 41 p. 73
Bibliography :
- "Picabia", Maria Lluïsa Boras, n° 145.

Guy LOUDMER, 18, rue de Provence, 75009 Paris. Tel.: (1) 45 23 15 25 - Telex: 283 958 F - Telefax: (1) 47 70 10 76

AUCTION SALES

Specialist advice
CHRISTIE'S



Elegant Art Deco diamond and emerald pendant brooch, circa 1920, signed by Boucheron. Sold at Christie's Geneva on 16 November 1989 for SF 550,000

Jewellery

Our specialists in Jewellery will be travelling through Europe during the next few weeks, with regard to forthcoming auctions in Geneva. They would be delighted to give you a valuation or offer advice, without any obligation on your part.

The cities they will be visiting are:

Baden-Baden	15 February	*Hamburg*	31 January
Barcelona	29 January	*Lisbon*	31 January
Berlin	29/30 January	*Madrid*	30 January
Biarritz	25 January	*Monaco*	1/20 February
Bonn	9 February	*Munich*	12/13 February
Budapest	2 February	*Nice*	22 January
Cannes	23 January	*Oslo*	1 February
Cologne	8 February	*Stockholm*	30 January
Copenhagen	29 January	*Stuttgart*	14 February
Dusseldorf	7 February	*Toulouse*	24 January
Frankfurt	16 February	*Vienna*	1 February

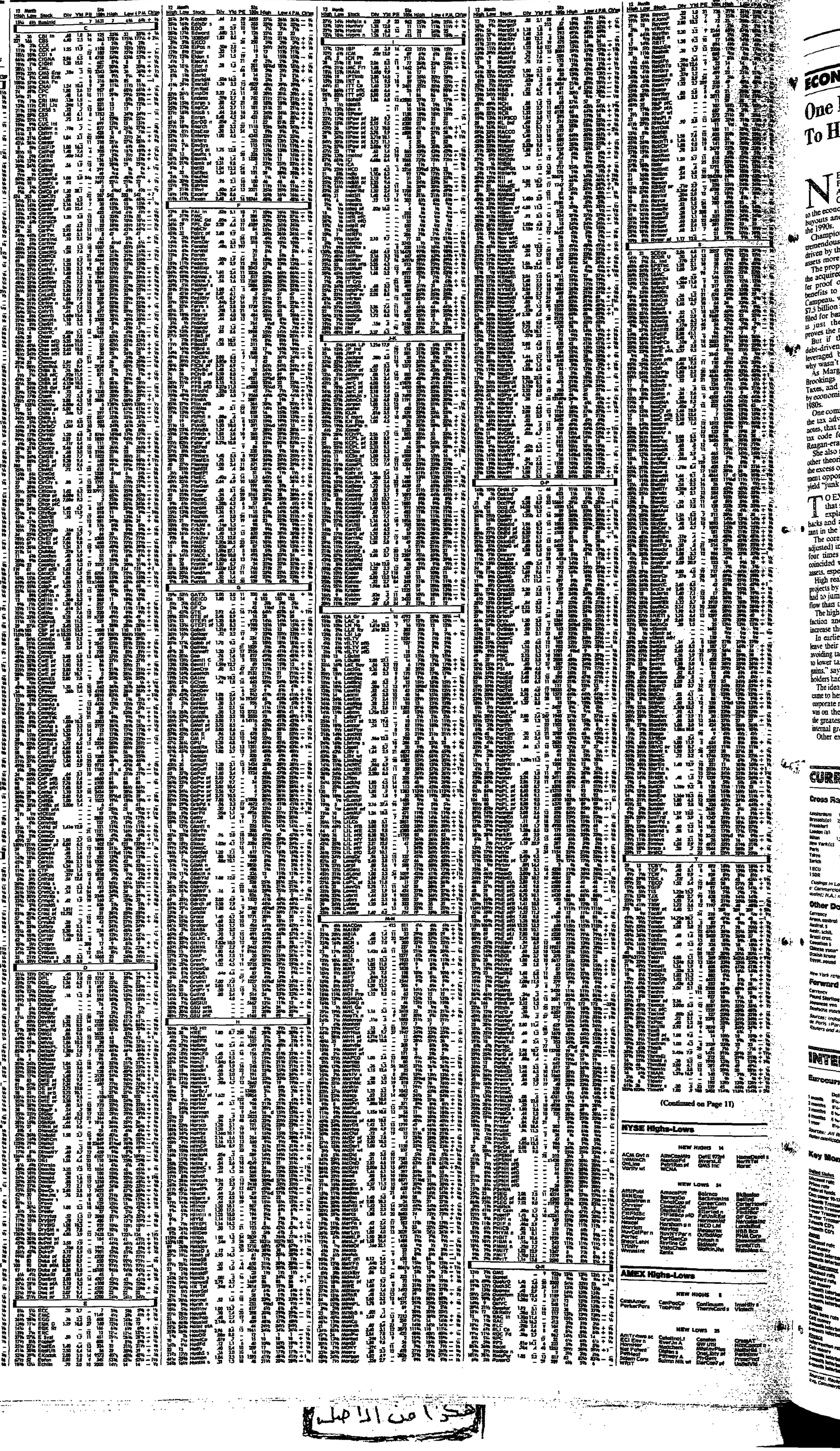
Specialists from our Jewellery Department are always available at our offices in Amsterdam, Brussels, Geneva, London, Los Angeles, New York, Paris and Rome.

For further information or an appointment, please contact:
Eric Valdiea
8 Place de la Taconnerie, 1204 Geneva
Tel: (4122) 28 25 44

NYSE

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*



(Continued on Page 11)

NYSE Highs-Lows

NEW HIGHS 14

ACM Gvt n	AlmCapMkts	DetE 972pf	HomeDepot s
InfMinCh	MexicoFd	MyersI_E	NorthTel
OnLine	PetriRes pf	QMS Inc	Rorer
Vanity wt	WCNA		

NEW LOWS 54

AffilPubl	AmocaPfH	Balmco	BkBoston
BkNEng	BarnepGp	BeckmanIns	BellInd
Cabletron n	CentalCapPf	CornerCom	CyberHawky
Chrysler	CrownNo	Conster	Cosmcs
FstFidBc	FtFidBcp pfD	Ellerbe n	FinnStBcr
Goodyear	Grumon	HarcmanNt	GP Corp
Hancok	Horsham g n	INCO Ltd	HarcdaleInd
Marriott	Maytag	Measurex	NBB Bcp
NuvCalPer n	NorthNYPer n	OutbdMgr	PHM Corp
Portec	PortSemCo	Potlatch n	ShawmutNtl
SnearLehN	Skyline Cp	SkilMedic	SymbITch
TriNity	VistaChem	WarnerJnt	WstnMas n
WynusInt	Xenix		

AMEX Highs-Lows

NEW HIGHS 8

CasnAmer	CenPacCp	Continuum	ImoHlty s
ParkerPara	TabProd	ThermCard s	Vitatech

NEW LOWS 25

AmTr-hwsac	CellnfoLs	Centron	CrossAT
ECI Env n	SiverJn A	GW Util	HlthCorpCd n
HomHar	Meacham	MtsInvPlus	MedtxHld s
Nat Patent	Ogden s	OneLifty pf	PetMed
PetMed	Privacy A	PhrGem	Prismtrv
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CURRENCIES

Cross Rates

	$
Amsterdam	1.9205
Brussels(c)	35.525
Frankfurt	1.7141
London (z)	1.645
Milan	1,276.25
New York(c)	----
Paris	5.804
Tokyo	146.35
Zurich	1.517
ECU	1.1871
SDR	1.2099

Closings in London and Zurich; a- Commercial franc; b- Financial franc; c- Belgian franc; d- Commercial rate; e- Financial rate; f- Official rate; g- Floating rate; h- Dollar-denominated; n.a.- not available; n.q.- not quoted; N.A.- not available.

Other Dollar Values

Currency	Per $
Argen. austral	1100.0
Austral. $	1.2402
Austr. schil.	12.06
Brazil cruz.	14.285
Canadian $	1.1778
Chinese yuan	4.72
Danish krone	6.634
Egypt. pound	2.5832

New York rates unless otherwise noted.

Forward Rates

Currency	30-
Pound Sterling	1.
Japanese yen	1.
Deutsche mark	1.

Sources: Indosuez Bank de Paris (Paris); Banque Worms (Paris); Reuters and A.P.

INTEREST RATES

Eurocurrency Deposits

	Dollar	D
1 month	8¼-8⅜	7
2 months	8¼-8⅜	
3 months	8¼-8⅜	
6 months	8⅛-8¼	
1 year	8¼-8⅜	

Sources: Reuters, Sakura Bank, Commerzbank, Crédit Lyonnais.

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ECONOMIC SCENE

One Expert Links LBOs To High Interest Rates

By Leonard Silk
New York Times Service

NEW YORK — The bankruptcy filing this week by Federated Department Stores and Allied Stores, the American retailing operations of Campeau Corp. of Canada, has raised anxieties about what will happen to the economy if the wave of debt-financed takeovers, leveraged buyouts and managerial buybacks of the 1980s should crash in the 1990s.

Champions of the takeover wave have argued that it will bring tremendous benefits to the American economy, as managers, driven by the need to service and pay off debts, employ corporate assets more efficiently, or sell them to those who will.

The proponents contend that the run-up in the stock prices of the acquired corporations offer proof of these economic benefits to come. A case like Campeau, whose stores listed $7.5 billion in debts when they filed for bankruptcy Monday, is just the exception that proves the rule, they say.

Though often cited, the tax advantage of debt over equity has been around for decades.

But if the proponents of debt-driven acquisitions and leveraged buyouts are right, why wasn't this wonderful discovery made until the 1980s?

As Margaret Mendenhall Blair, a research associate at the Brookings Institution, writes in a forthcoming book, "Debt, Taxes, and Corporate Restructuring," the main theories offered by economists do not explain why "leverage mania" struck in the 1980s.

One common theory is that the leveraged buyouts are based on the tax advantage of corporate debt over equity. However, she notes, that advantage of debt over equity has been a feature of the tax code for decades, and, if anything, was reduced by the Reagan-era cuts in the corporate tax rate.

She also notes, in an article in the new Brookings Review, that other theories, like the disciplining role of debt on management, the excess of corporate cash flow over worthwhile internal investment opportunities, and alleged financial innovations like high-yield "junk bonds" existed well before the 1980s.

TO EXPLAIN the mystery, Ms. Blair presents a new theory that shows what was different about the '80s and why such explanations as managerial incentives for buyouts or buybacks and tax advantages of debt over suddenly became important in the last decade.

The core of her explanation is the upsurge of real (inflation-adjusted) interest rates at the start of the 1980s to levels three to four times as high as any since World War II. That surge coincided with a deep decline in the rate of return on physical assets, especially in manufacturing.

High real interest rates sharply cut the number of investment projects by raising the "hurdle rate" over which qualified projects had to jump. So corporations found themselves with more cash flow than they could profitably invest internally.

The high real interest rates also generated stockholder dissatisfaction and stepped up pressures on corporate managers to increase the payout to shareholders.

In earlier decades, shareholders were much more willing to leave their money with corporations as retained earnings, thus avoiding taxes on dividends while acquiring capital gains subject to lower taxes. "The elimination of the tax advantage of capital gains," says Ms. Blair, "also removed a major incentive shareholders had for encouraging firms to retain and reinvest profits."

The idea behind her theory, she said in an interview this week, came to her from a remark in a seminar by T. Boone Pickens, the corporate raider who is chairman of Mesa Petroleum. He said he was on the hunt for companies because shareholders invest for the greatest after-tax yield and he could not give them enough internal growth.

Other executives like this explanation, though academics and

See LBOs, Page 11

Big Drop In Japan Surplus

U.S. Trade Gap Is Still a Problem

Compiled by Our Staff From Dispatches

TOKYO — Japan's trade surplus plunged by more than 15 percent in 1989 as imports soared, the government reported Friday, but economists said further progress this year would be hard to come by.

The surplus fell to $64.4 billion last year, from $77.6 billion in 1988, representing both the smallest surplus since 1985 and a much bigger drop than most economists had expected.

However, Japan's politically charged surplus with the United States hardly moved, edging down to $45 billion from $47.6 billion in 1988.

"Unless both sides are very careful not to act too irrationally, the relationship between Japan and the United States will be a very tough one this year," said a Japanese trade official, Noboru Hatakeyama.

Japan's trade advantage with the United States still accounted for almost 70 percent of the overall surplus, up sharply from 61 percent of the total in 1988.

Japanese imports rose more than 10 percent in 1989, helped by higher oil prices and strong domestic demand in Japan, while exports grew a scant 4 percent.

"Japan's efforts to increase imports of manufactured goods and production of Japanese products abroad, such as automobiles, have begun to bear fruit," said the vice minister of finance, Sadaaki Hirasawa, at a news conference. "The overall situation is moving in a favorable direction."

Private economists said Japan would be hard pressed to cut by much either its global surplus or its surplus with the United States this year. Some of the special factors that helped trim the surplus last year — like high oil prices and the weak yen — are not likely to have so large an impact in 1990.

"We could very well have seen the bottom of the improvement of Japan's trade surplus," said Adrian Tschoegl, an economist with SBCI Securities Asia.

Besides oil, the big import successes last year included cars and liquor, products that benefited from changes in tax laws and the growing affluence of the Japanese. The weak yen, which dropped nearly 15 percent last year, also temporarily boosted the dollar value of Japan's imports.

On the export front, two prod-

See JAPAN, Page 10

Some Outside Prescriptions For General Motors' Woes

By Warren Brown
Washington Post Service

WASHINGTON — General Motors Corp. is in trouble in the United States. Its market share is sliding. Its image is taking a beating.

Even when the company does things right, the results seem to come out wrong.

Over the last decade, GM virtually rebuilt its North American manufacturing base. Yet, according to auto-industry analysts, GM runs some of the most inefficient plants in the industry. Last week, institutional investors demanded a voice in GM's future leadership, and the company extended plant closings, layoffs and cost cutting.

So, what to do? What will it take to right this leaning industrial giant in its home market?

To get some ideas, business commentators from H. Ross Perot to Malcolm Forbes were asked what they would do if given the daunting task of running GM. Here are some of their responses.

Jack Trout, president of the New York consulting firm Trout & Ries, is considered one of America's most prominent marketing experts:

"The first thing we've got to do is get GM to think the way Alfred Sloan thought when he turned around the company in 1921," said Mr. Trout, referring to GM's fourth chairman. "Under Sloan, every GM division had a specific purpose, served a specific market. Chevrolet was the low-cost leader. Buick was for the doctors, lawyers, professionals. Cadillac was the luxury leader. Today, nobody knows what Chevrolet means any more.

"We've got to make it clear what those brands mean. The problem with GM today is that they've pretty much positioned all of their brands in the middle. We've got to regroup and refranchise those brands. That means we've got to stop letting the inmates run the asylum.

"What I mean is this: right now, nobody is policing the division heads. Roger Smith and the others have detached themselves from the marketing process. Their only contact with marketing are sales numbers, and that's not good enough, and that's part of the problem."

In Mr. Trout's view, "You've got to have somebody in charge who will say: 'Hey, you can't have one of those. You're Buick. You're supposed to be priced below Cadillac. Yeah, you're going to lose some sales. But what Buick loses, Cadillac gains. So, it's okay.' "

□

Maryann Keller, a leading U.S. auto-industry analyst, is vice president of Furman, Selz, Mager, Dietz & Birney Inc. in New York and author of "Rude Awakening: The Rise, Fall and Struggle for Recovery of General Motors":

"First, I would change all of their advertising. It's been proven that their ads don't work. They're not selling cars.

"I don't know what the 'Heartbeat of America' means," Ms. Keller said, referring to GM's award-winning Chevrolet advertisement. "And then there's this Oldsmobile ad: 'It's not your father's Oldsmobile.' What's wrong with selling cars to your father, especially if it's still your father who happens to be buying Oldsmobiles? The Olds 98 is a very good car. But older people are buying it, not younger people. The ad is totally wrong for the product's market.

"Next, I would cut production costs, really cut costs. GM has done some cost-cutting; but it's not nearly enough. GM is still the highest-cost producer in America and the largest automobile producer in America, which means it sets prices.

"The problem is that by having the highest costs, it has high prices to recover those costs. That opens the door for low-cost manufacturers to underprice them on product, which means the lower cost manufacturers can take away more GM sales, which reduces GM's market share," she said.

GM's share of the U.S. car and truck market has fallen 10 percentage points, from 44.7 percent in 1979 to an estimated 34.6 percent in 1989.

Said Ms. Keller: "They really have yet to instill a sense of crisis, a sense of urgency among its managers. Someone has to start doing things to affect the way people think about the corporation," which includes cutting out perks like chauffeured limos for executives, policing expense accounts and eliminating unnecessary travel.

□

H. Ross Perot, chairman of Perot Systems, founder of Electronic Data Systems, which he sold to GM in 1984 in return for a major share of the company and a seat on its board. In 1986, largely in response to Mr. Perot's frequent public criticism of the company, GM bought his stock in the automaker

See GM, Page 11

Rhône-Poulenc Denies Leak on Deal With Rorer

By Jacques Neher
Special to the Herald Tribune

PARIS — Rhône-Poulenc SA, the state-owned French chemicals concern, denied Friday that it was the source of a leak about its planned merger with Rorer Group Inc. of the United States.

The U.S. Securities and Exchange Commission has filed charges of illegal insider trading against several non-U.S. companies and a Swiss investor in connection with the proposed $3.14 billion merger, announced late Thursday. However, the SEC has made no accusation of how those charged may have obtained their information.

Jean-Pierre Tirouflet, financial director of Rhône-Poulenc, said he had "no idea where the information came from" concerning the Rorer deal. "We don't know these buyers," he said of those named in the SEC suit.

Accused of illegal trading by the U.S. securities watchdog are Fondation Hai of Monaco; Holding Protection Ltd. of Athens; Unifund Sal of Kasslik, Lebanon; and Robert Rossi of Geneva.

U.S. investigators said that other defendants, believed to be in Europe, may be named as their work continues.

Five major U.S. securities firms made the suspect trades and are cooperating with the investigation. Neither they nor the five Swiss banks that ordered the purchases are accused of any wrongdoing.

Brokers in Paris speculated that the leak likely came from France or Switzerland. Swiss drug companies were also reportedly in talks with Rorer in recent months.

Mr. Tirouflet indicated that talks had been under way with Rorer for some months and that an agreement in principle "wasn't at all sure" as of last Monday. "Things accelerated quickly after that," he said.

Said one Paris broker: "No one really cares about this, because we know nothing will come of it. We all saw how the Pechiney case was so quickly forgotten."

He was referring to the insider-trading scandal in that arose in early 1989 out of the takeover by Pechiney SA, the French state-owned aluminum concern, of Triangle Industries Inc. of the United States.

Robert Benezra, an analyst specializing in Rorer at H.C. Wainwright & Co. in Boston, said that the SEC's insider-trading charges, filed in New York late Wednesday, had forced the two firms into a premature announcement, though this is unlikely to block the merger.

Mr. Benezra said leaks were "bound to happen" when government-controlled companies and their supervising ministries enter the world of mergers. In the case of Pechiney, French investors with contacts high in government were alleged to have profited from its takeover of Triangle. That case was also uncovered by the SEC, but it never filed formal charges.

In the Rorer suit, the SEC alleged that illegal trading based on confidential information between Jan. 4 and Jan. 15 generated $5.96 million in profits. Rorer stock gained nearly 25 percent, to $63, after it announced on Monday that it was negotiating the sale of a 68 percent stake to an unidentified buyer. Rorer announced on Thursday that Rhône-Poulenc was the buyer.

Mr. Tirouflet of Rhône-Poulenc would not say how much money the company would have to put up for the acquisition, but he said "it's not a huge problem."

He said the sum, which a report in Le Monde, the French daily, estimated at a little less than half the $3.2 billion acquisition value, could be financed through borrowing and by divesting group assets.

Rhône-Poulenc believes it could raise around $1 billion in these asset sell-offs, particularly by targeting some units of Connaught BioSciences Inc., the Canadian vaccine company recently acquired by the Rhône-Poulenc unit Institute Mérieux SA.

Mr. Tirouflet maintained that

See RHONE, Page 11

Bush Calls for a Drop in Interest Rates

Compiled by Our Staff From Dispatches

ATLANTA — President George Bush said Friday that he wanted U.S. interest rates to drop further and said that a federal commission would study ways to make home ownership more affordable.

In comments that added impetus to administration efforts to pressure the Federal Reserve Board into an easier credit policy, Mr. Bush said that "the 1990s must be another decade of lower taxes and lower interest rates."

Speaking to the National Association of Homebuilders here, he said that Congress must adopt "fiscal policies as sound as those of the average American household."

Observing that the cost of new homes has been steadily increasing for the past 15 years, Bush said more and more young Americans are finding themselves priced out of the home market.

"We cannot allow the high costs of housing to suffocate the financial life of America's young people," the president said. "When it comes to housing, this must not become a society of haves and have-nots."

He vowed to work with Housing Secretary Jack Kemp to cut federal red tape "to create decent housing that people can afford." He said that he had asked Mr. Kemp to convene a commission that would recommend ways to eliminate barriers to affordable housing.

"But the truth is, there's one housing policy and one sales strategy that's better than all others combined — a healthy growing economy with low, long-term interest rates," Mr. Bush declared.

Mr. Bush's comments and those by other administration officials come amid speculation that momentum at the Fed for easing credit policy had ended.

Meanwhile, in Chicago Fed Governor Wayne Angell said Friday that he favored a monetary policy that would reduce inflation without sending the economy into a severe downturn. Speaking to business executives on the economic outlook, Mr. Angell said, "It is not desirable that we have this economy enter a recession in order to make haste to price-level stability."

On Thursday, White House press secretary Marlin Fitzwater urged lower interest rates, breaking the administration's general policy of not commenting on Fed policy.

(AP, Reuters)

CURRENCY RATES

Cross Rates Jan. 19

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	1.9305	3.175	1.1267	0.3316	0.1514 *	—	5.384 *	1.2670	1.3233 *
Brussels(a)	35.8625	58.925	20.9225	6.156	2.8117 *	18.5725	—	22.597	0.2468
Frankfurt	1.7141	2.817	—	0.2943	0.1343 *	0.8877	4.779 *	1.125	1.175 *
London (b)	1.645	—	2.813	9.5389	2,091.88	3.165	58.84	2.494	240.08
Milan	1,276.05	2,095.60	744.35	218.97	—	660.45	35.564	837.30	8.741
New York(c)	—	1.6455 b	1.7115	5.813	1,273.75	1.9265	35.775	1.5225	146.08
Paris	5.824	9.573	3.3986	—	0.4568 *	3.0167	0.1625	3.834	3.995 *
Tokyo	146.35	240.97	85.46	25.17	0.1148	75.85	4.088	96.06	—
Zurich	1.517	2.4931	0.8876	0.2611	0.1192 *	0.7891	4.2349 *	—	1.0401 *
1 ECU	1.1871	0.7241	2.0377	6.9254	1,516.49	2.2959	42.6339	1.8091	173.432
1 SDR	1.3099	0.7971	2.2453	7.6288	1,664.25	2.5287	46.9759	1.9976	191.571

Closings in London and Zurich, fixings in other centers. New York closing rates.
*a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. austral	1100.0	Fin. markka	3.96	Mex. peso	2692.00	S. Afr. rand	2.535
Austral. $	1.2602	Greek drac.	156.60	N. Zealand $	1.6401	Soviet ruble*	0.6038
Austr. schil.	12.06	Hong Kong $	7.8075	Nig. naira*	5.2995	Span. peseta	110.10
Brazil cruz.	14.285	Indian rupee	17.048	Norw. krone	6.589	Swed. krona	6.218
Canadian $	1.1778	Indo. rupiah	1790.00	Phil. peso	22.10	Taiwan $	25.87
Chinese yuan*	4.72	Irish £	0.6491	Port. escudo	150.56	Thai baht	25.60
Danish krone	6.634	Israeli shek.	1.90	Saudi riyal	3.748	Turkish lira	2289.08
Egypt. pound	2.5832	Kuwaiti dinar	0.2898	Sing. $	1.8619	UAE dirham	3.67
		Malay. ring.	2.7025	S. Kor. won	686.80	Venez. boliv.	43.45

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6285	1.6202	1.6112	Canadian dollar	1.1816	1.1850	1.1883
Japanese yen	145.64	145.48	145.36	Swiss franc	1.5218	1.5205	1.5193
Deutsche mark	1.6999	1.6999	1.7001				

Sources: Indosuez Bank (Brussels); Banco Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

World Stock Markets Feel Pinch of High Rates

Reuters

NEW YORK — The trend to higher interest rates around the world has punished stock-market investors early in the new year and leaves the U.S. market more vulnerable than most, according to Wall Street analysts.

"The common element in every market is disappointment at the pattern of long-term interest rates," said Richard Hoey, chief economist at Drexel Burnham Lambert Inc. "In the case of the U.S., there is the added element of concern about earnings."

A big problem for the United States is that, as interest rates around the world have risen, the gap between U.S. rates and those in Japan has narrowed significantly, making it harder for America to attract foreign funds.

Rao Chalasani, strategist at Prescott Ball & Turben Inc., noted that as recently as a year and a half ago, U.S. rates were 400 basis points higher than Japanese rates. Recently the gap has narrowed to about 130 basis points.

"Foreign capital is more important than at any time in the past," Mr. Chalasani said.

Hugh Johnson of First Albany Co. believes that in addition to other problems, the United States will be hurt by a process of investment "displacement." He said that political changes in Eastern Europe "have reduced opportunities for profits in the U.S. and Japan, and raised the opportunities in West Germany."

"The key element in this equation is capital flows," Mr. Johnson said, but the United States finds that "the so-called interest-rate edge in dollar-denominated securities is gone."

Stephen Poling, executive vice president of AMEV Advisers, suggested that "the fact we're all going down together is further evidence of globalization of markets."

Traders in New York say investors have turned bearish in the last few weeks, though indecisiveness, not a fear of a sharp break in the markets, is behind the shift in mood.

"People aren't waiting to figure it out, they're selling," said Mr. Poling, who is based in Minneapolis. "Bond yields in Japan are much closer to ours, and our bond market seems to be going in lockstep with the Japanese bond market."

He noted that program trading has also been a factor in the markets. "They may not start the market up or down, but they capitalize on the trend," he said. "At this point, when everybody is negative, programs exacerbate the trend."

According to Mr. Hoey of Drexel Burnham, some investors became overly bullish about the U.S. bond market in November, after concluding that the Federal Reserve Board would continue to ease credit at a rapid pace. "The bond market was speculatively priced on the belief there would be a continuation of a bullish trend," he said.

But now investors are coming around to the realization that "there seems to be a stall in the pattern of Fed easing." He said it is important to understand that "the Fed itself is not tightening."

The Drexel Burnham analyst saw other reasons to take a cautious stance on the U.S. market. "Rising earnings are no longer with us, enthusiasm of foreign investors has cooled off, and the reduction in outstanding shares caused by leveraged buyouts has stalled," Mr. Hoey said.

A fourth element, he argues, is international diversification of portfolios.

Mr. Chalasani of Prescott Ball expects the U.S. market to fluctuate between 2,400 and 3,100 on the Dow Jones industrial average during 1990, compared with the 1989 closing level of 2,753.

On Friday, the Dow index rose 11.52 points to close at 2,677.90, below its record high of 2,810 recorded on the first trading day of 1990. Several technical analysts have asserted that the 2,810 level will turn out to be the high for the year.

Japan Chides Minister For Rice Ban Remarks

Agence France-Presse

TOKYO — In a bid to calm anger from farmers weeks before national elections, Japan's ruling party played down on Friday a minister's remarks that the nation should ease its total ban on rice imports.

Prime Minister Toshiki Kaifu chided his international trade and industry minister for questioning on Thursday Japan's insistence on complete self-reliance in rice, officials said.

"It has deviated from the cabinet's basic policy and can be seen as a symbol of disunity," the prime minister was quoted as telling the minister, Hikaru Matsunaga. "Any member of the cabinet should be careful in his remarks."

Mr. Matsunaga apologized for causing "confusion," saying that he had only meant to portray the "tough international environment surrounding agricultural negotiations," officials said.

Mr. Matsunaga had told a seminar that Japan should modify its total ban on rice imports to appease criticism from abroad as the final year of global talks on freer trade focuses on agriculture. "It cannot be internationally accepted that our country does not allow even a single grain of rice from abroad," he had said.

The Central Union of Agricultural Cooperatives, or Zenchu, a strong lobby representing Japan's 2.5 million farming households, issued a statement Friday expressing "strong indignation and protest" at Mr. Matsunaga's remarks. If Japan's rice market were opened to imports, it would be an "irreparable" blow to Japanese agriculture," the statement said.

Mr. Matsunaga admitted at a news conference that his remarks could have an impact on the general elections, expected to be held Feb. 18.

Ichiro Ozawa, secretary general of the Liberal Democratic Party, told reporters that the government and his party would "stand firm to maintain the self-sufficiency policy."

Japan is 49 percent self-reliant in foods, the lowest such rate among industrialized nations. It is also the world's largest importer of farm products.

In the four-year round of multilateral trade talks under the General Agreement on Tariffs and Trade, the United States has proposed ending export subsidies for farm products in five years and import barriers and domestic subsidies in 10 years.

INTEREST RATES

Eurocurrency Deposits Jan. 19

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8¼-8⅜	7 13/16-7 15/16	9⅜-9½	15-15⅛	10 9/16-10 11/16	6⅝-6¾	10⅞-11	8⅞
2 months	8¼-8⅜	8-8⅛	9⅜-9½	15-15⅛	10 9/16-10 11/16	6⅝-6¾	11-11⅛	8⅞
3 months	8 5/16-8 7/16	8 1/16-8 3/16	9⅜-9½	15⅛-15¼	10 15/16-11 1/16	7-7⅛	11 1/16-11 3/16	9
6 months	8 5/16-8 7/16	8 3/16-8 5/16	9⅜-9½	15¼-15⅜	11 1/16-11 3/16	7 1/16-7 3/16	11 3/16-11 5/16	9 1/16
1 year	8½-8⅝	8 5/16-8 7/16	9 5/16-9 7/16	15 5/16-15 7/16	11⅛-11¼	7¼-7⅜	11⅜-11½	9 1/16

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates Jan. 19

	Close	Prev.
United States		
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	8 3/16	8 3/16
Com. paper 90-179 days	7½	7½
3-month Treasury bills	7.71	7.78
6-month Treasury bills	7.57	7.64
1-year Treasury bills	7.42	7.47
30-year Treasury bond	95 10/32	97 18/32
1-month CD's	7.65	7.65
3-month CD's	7.65	7.65
Japan		
Discount rate	4¼	4¼
Call money	6 7/16	6 13/32
1-month interbank	6 25/32	6 25/32
3-month interbank	6 15/16	6 29/32
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	7.80	7¾
1-month interbank	8.15	8.15
3-month interbank	8¼	8¼
6-month interbank	8½	8.45
Britain		
Bank base rate	15.00	15.00
Call money	15.00	15.00
1-month interbank	15 5/16	15⅜
3-month interbank	15 5/16	15⅜
France		
Intervention rate	10.00	10.00
Call money	10 7/16	10 11/16
1-month interbank	10 11/16	10 11/16
3-month interbank	11.00	11.00
6-month interbank	11⅛	11⅛

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits Jan. 19

1 month	8¼-8⅜
2 months	8¼-8⅜
3 months	8 5/16-8 7/16
6 months	8⅜-8½
1 year	8 9/16-8 11/16

Source: Reuters.

U.S. Money Market Funds Jan. 19

Merrill Lynch Ready Assets	
30-day average yield:	7.71
Telerate Interest Rate Index:	8.098

Source: Merrill Lynch, Telerate.

GOLD

Jan. 19

	A.M.	P.M.	Ch'ge
Hong Kong	411.25	411.95	— 2.96
Luxembourg	410.85	—	— 3.50
Paris (12.5 kilo)	410.16	418.69	— 3.66
Zurich	411.25	409.00	— 4.55
London	410.60	408.65	— 4.75
New York	—	418.25	Unch.

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Tangled Tale of Bush's Son and a Savings Bank

By Thomas C. Hayes
New York Times Service

DENVER — In the savings industry crisis, the collapse of Colorado's Silverado Banking, Savings & Loan Association would stand out even if one of its former directors were not Neil M. Bush, a son of the president.

The federal bailout of Silverado is likely to be one of the troubled industry's most expensive, costing taxpayers up to $1 billion to cover mounting losses from the savings bank's risky investments in "junk bonds," land, office and housing developments.

The precipitous fall of Silverado was partly the result of poor business judgment.

When the oil-dependent Denver economy slumped in the mid-1980s, lowering real estate prices, many of the region's savings and loans tightened their belts and curbed their lending for property.

But Silverado plunged ahead, investing in speculative ventures in the midst of a declining market.

Silverado's demise also illustrates the kind of close — and sometimes questionable — links between savings institutions and developers that kept risky loans flowing and worsened the industry's troubles.

The links between Silverado board members, including Neil Bush, and local developers are being scrutinized by platoons of government investigators.

The federal regulators are examining several issues, but the essential question is whether Silverado's directors and local developers were engaged in self-dealing — shuffling loans and investments to make Silverado appear more financially healthy than it really was.

(On Friday, federal regulators said they had postponed a decision on whether to take any action against Neil Bush. The Office of Thrift Supervision held a closed-door meeting with Neil Bush in Washington on Thursday to consider whether he had committed any improprieties and then met into the evening to consider their conclusions.)

Four former senior executives of Silverado, including its former chairman and chief executive, Michael R. Wise, have signed orders by the Office of Thrift Supervision that permanently barred them from holding jobs in the industry.

The Justice Department and the Federal Deposit Insurance Corporation are also investigating the Silverado case.

Neil Bush, one of four sons of the president, is a 34-year-old Denver oilman and fledgling entrepreneur, whose modest style of living shows no evidence of significant personal wealth.

By all accounts, he is close to his father and has served as a popular and effective fund-raiser for the Republican Party.

Neil Bush was invited to join the Silverado board in 1985 and resigned on Aug. 30, 1988, two weeks after his father received the Republican presidential nomination.

In a recent interview with The Denver Post, he denied doing anything wrong during his period at Silverado. He also denied that he had sought lenient treatment from regulators for the savings association.

"I'm cooperating in every way that I can," Mr. Bush said in the interview, referring to the various government inquiries. "I have absolutely nothing to hide."

During his three years as a director, the Silverado board and executives dismissed one auditing firm and approved questionable loans that helped to gild Silverado's weak capital base, keeping regulators at bay.

The institution was finally seized by federal regulators in December 1988. The government sold Silverado's healthy operations to First Nationwide Financial Corp., a unit of Ford Motor Co.

Those operations are now part of Columbia Savings, the largest savings institution in Colorado, with more than $5 billion in assets.

For Neil Bush, the most sensitive issue now under review are his financial ties to a former investor and frequent borrower at Silverado, Bill L. Walters.

Mr. Walters, a high-profile Denver developer whose personal net worth was estimated as high as $200 million a few years ago, was chairman of the Greater Denver Chamber of Commerce in 1987-88.

He obtained more than $200 million in loans from Silverado, and purchased $20 million in Silverado securities in 1986, The Denver Post reported. Between 1984 and 1988, he bought $43 million in Silverado securities, the newspaper said.

In 1983, Mr. Walters contributed $150,000 to the formation of a an energy partnership, JNB Exploration, with Neil Bush as one of its partners, according to state records.

By contrast, Mr. Bush invested just $100. One of three banks owned by Mr. Walters, the Cherry Creek National Bank, later established a $1.2 million credit line for JNB Exploration.

According to state records, Mr. Walters sold his interest in JNB Exploration in 1986. Neil Bush, who was a general partner of JNB, and James Judd, another general partner, withdrew from those positions last year.

Neil Bush has not been associated with JNB Exploration since last May. He founded a new business, Bush Energy Co., in March 1989.

One key issue, regulators say, was whether Neil Bush approved any transactions between Silverado and Mr. Walters while the president's son was a Silverado director, which would have been improper.

He could have retained his seat on the board, but would have had to excuse himself from discussions regarding loans to investors in his energy business.

Transactions between Silverado and Mr. Walters and others involving large borrowers have drawn the attention of government investigators, according to several industry analysts and consultants.

The Office of Thrift Supervision said last week that it had "grave concerns" about some of Silverado's deals.

ADVERTISEMENT

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AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 17th January, 1990.

MARKET DIARY

Via Associated Press Jan. 19

European Commodities

	Close Bid	Close Ask	High	Low	Previous Bid	Previous Ask
LONDON SUGAR U.S. Dollars per metric ton						
Mar	314.00	314.20	319.00	314.00	318.60	319.00
May	314.60	315.00	318.40	314.60	318.60	318.80
Aug	313.00	313.60	316.00	313.00	316.20	316.40
Oct	305.00	305.60	308.00	305.00	308.20	308.40
Dec	296.00	303.40	300.00	300.00	298.00	309.80
Mar	285.80	286.00	286.00	285.00	289.00	289.40
May	285.00	285.40	285.40	284.20	288.40	290.00
Volume: 2,588 lots of 50 tons.						
LONDON COCOA Sterling per metric ton						
Mar	621	622	628	621	626	627
May	635	636	640	634	637	638
Jul	649	650	655	649	654	655
Sep	664	665	670	665	669	671
Dec	687	688	693	688	693	694
Mar	705	706	709	706	709	710
May	717	720	723	721	723	724
Volume: 5,084 lots of 10 tons.						
LONDON COFFEE Sterling per metric ton						
Jan	573	574	575	570	570	577
Mar	588	590	596	588	590	591
May	605	606	612	605	604	605
Jul	624	625	628	623	622	623
Sep	640	642	646	639	640	641
Nov	658	660	664	658	656	658
Jan	677	680	682	677	676	678
Volume: 2,785 lots of 5 tons.						
GASOIL U.S. dollars per metric ton						
Feb	176.00	176.25	176.50	175.50	172.50	172.75
Mar	169.75	170.00	170.50	167.25	165.75	166.00
Apr	163.25	163.75	163.75	162.25	161.25	161.75
May	—	160.00	162.00	160.00	159.00	161.00
Jun	159.00	160.00	161.50	159.00	158.00	160.00
Jul	160.00	160.50	162.00	161.00	158.00	164.25
Aug	160.00	166.00	N.T.	N.T.	158.00	164.25
Sep	162.50	167.50	N.T.	N.T.	158.00	168.50
Oct	165.00	169.00	N.T.	N.T.	158.00	172.00
Volume: 8,547 lots of 100 tons.						

PARIS SUGAR French francs per metric ton	High	Low	Close Bid	Ask	Ch'ge
Mar	2,425	2,407	2,394	2,405	+2
May	2,432	2,425	2,405	2,415	Unch.
Aug	2,477	2,470	2,450	2,465	+22
Oct	N.T.	N.T.	2,260	2,275	—5
Dec	N.T.	N.T.	2,120	2,150	—12
Mar	N.T.	N.T.	2,100	2,130	—20

Est. vol.: 1,502 lots of 50 tons. Prev. actual vol.: 1,267. Open interest: 16,704 lots.

Sources: Paris Bourse du Commerce, London Petroleum Exchange, Reuters.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.6875	0.6975
Coffee, lb	0.71	0.70
Copper electrolytic, lb	1.1525	1.17
Iron FOB, ton	213.00	213.00
Lead, lb	0.40	0.40
Printcloth, yd	n.a.	n.a.
Silver, troy oz	5.21	5.22
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	94.00	94.00
Tin, lb	3.9935	4.0484
Zinc, lb	0.68	0.68

DM Futures Options

Strike Price	Calls-Settle Jan	Feb	Mar	Puts-Settle Jan	Feb	Mar
56	1.89	2.47	2.67	0.17	0.69	0.35
57	2.44	1.61	1.89	1.18	0.11	0.47
58	1.38	0.89	1.25	1.51	0.46	0.82
59	1.02	0.6C	0.78	2.82	0.97	1.35
60	1.05	0.16	0.45	2.63	1.73	2.01
61	0.77	0.06	0.25	3.33	2.42	2.80

Est. total vol.: 11,277
Calls: Thur. vol.: 8,192; open int.: 60,409
Puts: Thur. vol.: 9,141; open int.: 77,686
Source: CME.

The Daily Source for International Investors.
Herald Tribune

Dividends

Company	Per	Amt	Pay	Rec
INCREASED				
Carnival Cruise	Q	.12	3-14	2-28
PeoplesBncrtn	Q	.14½	3-21	3-7
Ralston Purina	Q	.46¼	3-9	2-1
INITIAL				
ConAgra Inc	Q	.15	3-1	2-2
STOCK				
Bear Stearns Cos		.5 PC	2-28	2-15
USUAL				
Avnet Inc	Q	.15	4-23	4-16
Bear Stearns Cos	Q	.14	2-28	2-15
FB&T Corp	Q	.20	2-9	1-31
FidelitySvgsAssoc	Q	.06	3-9	2-9
1st Harrisbrg Bncp	Q	.08	2-15	2-5
First Western	Q	.25	2-5	1-30
Firstar Corp	Q	.28	2-15	1-29
FranklinFirstFinl	Q	.13	2-1	2-15
GTE Corp	Q	.73	4-1	2-20
Giant Food cl-A	Q	.12½	3-2	2-2
Grumman Corp	Q	.25	2-19	2-9
Home Port Bancorp	Q	.10	2-16	2-6
Knogo Corp	Q	.07½	2-22	1-26
Massbank Corp	Q	.11	2-15	1-31
Myers Industries	Q	.05	4-2	3-9
Ogden Corp	Q	.31¼	4-3	3-14
Outboard Marine	Q	.20	2-22	2-9
PPG Industries	Q	.38	3-12	2-20
People's Bk Conn	Q	.18	2-14	2-1
Pittway Corp	Q	.15	4-2	3-16
Sovran Financial	Q	.45	4-1	2-28
Standard Fedl Bk	Q	.10	3-1	2-15
Untd Counties Bncp	Q	.55	2-1	1-22
Untd Missouri Bcsh	Q	.20	4-2	3-15

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

London Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Sterling per metric ton				
Spot	1494.00	1497.00	1512.00	1517.00
Forward	1516.00	1517.00	1526.00	1530.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1387.00	1389.00	1441.00	1443.00
Forward	1401.00	1402.00	1449.00	1450.00
LEAD Sterling per metric ton				
Spot	419.00	421.00	426.00	427.00
Forward	414.00	415.00	419.00	420.00
NICKEL Dollars per metric ton				
Spot	6450.00	6700.00	6650.00	6675.00
Forward	6450.00	6500.00	6510.00	6525.00
TIN Dollars per metric ton				
Spot	6540.00	6560.00	6640.00	6660.00
Forward	6660.00	6670.00	6750.00	6770.00
ZINC (High Grade) Dollars per metric ton				
Spot	1240.00	1250.00	1240.00	1250.00
Forward	1210.00	1220.00	1210.00	1220.00

S&P 100 Index Options

Jan. 19

Strike Price	Calls-Last Jan	Feb	Mar	Apr	Puts-Last Jan	Feb	Mar	Apr
290	30	31	—	—	—	1⅛	2	—
295	—	—	—	—	—	1⅞	3⅛	—
300	20⅛	21⅛	—	27⅝	⅛	2	4⅛	6½
305	14⅛	17⅛	—	—	⅛	3⅛	5⅛	—
310	9½	13	16⅛	20⅛	⅛	3⅛	10⅛	8⅛
315	4⅞	9⅝	12½	—	⅛	6⅛	7⅛	—
320	⅛	6⅛	10⅞	14	⅛	6⅛	10	12⅞
325	⅛	3⅝	7⅝	—	5⅝	9⅛	12⅛	—
330	⅛	2	5⅛	8⅛	10⅛	13⅝	15½	18
335	—	⅛	3⅛	—	14⅛	16⅛	18	—
340	—	⅛	2	4⅛	—	21	21½	23⅛
345	—	⅛	1⅛	—	—	26	26½	—
350	—	⅛	⅛	1⅝	—	—	—	—

Calls: total volume 168,176; total open int. 452,545
Puts: total volume 161,433; total open int. 457,125
S&P 100 Index: High 320.03 low 317.42 close 319.62 +2.20
Source: CBOE.

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NYSE Diary

	Close	Prev.
Advanced	828	584
Declined	658	899
Unchanged	477	495
Total Issues	1963	1978
New Highs	14	13
New Lows	54	84

AMEX Diary

	Close	Prev.
Advanced	308	223
Declined	257	340
Unchanged	254	233
Total Issues	819	803
New Highs	8	4
New Lows	25	28

NASDAQ Diary

	Close	Prev.
Advanced	1,107	783
Declined	817	1,172
Unchanged	2,423	2,390
Total Issues	4,347	4,349

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	*Sh'rt
Jan. 18	387,787	424,031	4,772
Jan. 17	331,901	536,529	14,559
Jan. 16	479,150	517,566	16,059
Jan. 15	321,150	431,559	25,262
Jan. 12	351,569	1,000,393	4,736

*Included in the sales figures

Currency Options

Jan. 19

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Jan	Feb	Mar	Puts—Last Jan	Feb	Mar
50,000 Australian Dollars-cents per unit.							
ADollr	73	s	r	6.17	s	r	r
79.34	77	s	r	r	s	0.22	r
79.34	78	s	r	r	s	r	1.26
31,250 British Pounds-cents per unit.							
Pound	160	s	4.95	r	s	r	r
164.69	162½	s	r	3.05	s	r	r
164.69	165	s	1.45	r	s	r	r
50,000 Canadian Dollars-cents per unit.							
CDollr	83	s	r	r	s	r	0.30
84.50	84	s	r	0.68	s	0.34	0.53
84.50	84½	s	0.34	0.58	s	0.63	0.80
84.50	85	s	0.23	0.36	s	1.00	1.44
84.50	85½	s	0.12	r	s	1.05	1.54
84.50	86	s	0.04	r	s	r	1.93
84.50	86½	s	r	0.06	s	2.20	2.30
50,000 Canadian Dollars-European Style.							
CDollar	83½	s	r	r	s	0.10	r
84.50	84½	s	0.35	r	s	0.65	
62,500 West German Marks-cents per unit.							
DMark	55	s	r	3.64	s	r	0.16
58.48	56	s	r	r	s	0.12	0.30
58.48	57	r	r	2.09	r	0.27	0.53
58.48	57½	s	r	r	s	0.37	0.77
58.48	58	s	r	1.43	s	0.53	0.85
58.48	58½	s	0.79	r	s	0.80	r
58.48	59	s	0.64	0.92	s	1.14	1.38
58.48	59½	s	0.35	r	s	r	r
58.48	60	s	0.30	0.60	s	r	r
58.48	61	s	0.16	0.35	s	r	r
58.48	61½	s	r	0.23	s	r	r
58.48	62	s	0.06	0.21	s	r	r
62,500 West German Marks-European Style.							
58.48	47	s	s	11.4	s	s	r
58.48	57	r	r	r	r	0.32	
6.25 mil Yen-100ths of a cent per unit.							
JYen	65	s	r	r	s	r	0.09
68.47	66	s	r	r	s	r	0.17
68.47	67	s	r	r	s	0.19	0.30
68.47	68	s	r	r	s	0.39	r
68.47	68½	s	r	r	s	0.60	r
68.47	69	s	r	r	s	r	1.08
68.47	70	s	0.19	0.41	s	r	r
68.47	71	s	r	0.21	s	r	r
68.47	71½	s	r	0.15	s	r	r
68.47	72	s	r	0.10	s	r	r
6.25 mil Japanese Yen-European Style.							
68.47	67	s	r	r	s	r	0.31
62,500 Swiss Francs-cents per unit.							
SFranc	56	s	r	r	s	r	0.01
65.74	64	s	r	r	s	r	0.56
65.74	65	s	1.25	r	s	r	r
65.74	66	s	0.85	1.03	s	1.03	1.39
65.74	66½	s	r	r	s	1.30	r
65.74	67	s	0.50	r	s	1.58	
62,500 Ecus-cents per unit.							
ECU	118	s	r	r	s	r	1.96

Total call vol. 44,703 Call open int. 267,848
Total put vol. 35,155 Put open int. 295,225
r—Not traded. s—No option offered.
Last is premium (purchase price).

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2680.25	2696.89	2657.85	2677.90	+ 11.52
Trans	1157.72	1166.07	1143.31	1153.98	+ 11.55
Util	222.08	223.21	220.64	221.77	— 0.38
Comp	1005.69	1012.06	996.40	1004.05	+ 5.83

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	391.37	388.82	389.97	+1.15
Transp.	273.77	270.37	272.35	+1.98
Utilities	145.68	144.29	145.07	+0.68
Finance	29.70	29.51	29.51	—0.07
SP 500	340.48	338.19	339.15	+0.96
SP 100	320.03	317.42	319.62	+2.20

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	187.97	187.48	187.56	+0.49
Industrials	226.16	225.49	225.59	+0.64
Transp.	175.06	174.44	174.76	+1.49
Utilities	95.13	94.79	94.97	+0.30
Finance	150.06	149.67	149.67	—0.01

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	440.88	+3.36	439.72	444.57
Industrials	438.97	+3.04	434.43	437.59
Finance	491.14	—1.13	499.81	497.93
Insurance	536.87	+0.52	532.49	533.14
Utilities	685.27	+20.43	671.13	714.05
Banks	388.77	+2.74	390.92	386.52
Transp.	475.71	+2.48	487.29	484.27

AMEX Stock Index

High	Low	Close	Ch'ge
366.57	365.44	366.08	—0.09

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	92.05	—0.03
Utilities	93.38	—0.25
Industrials	90.73	+0.19

Market Sales

NYSE 4 p.m. volume	185,590,000
NYSE prev. cons. close	210,008,750
Amex 4 p.m. volume	12,680,000
Amex prev. cons. close	12,970,000
NASDAQ 4 p.m. volume	152,166,300
NASDAQ prev. 4 p.m. volume	136,225,100
NYSE volume up	89,469,320
NYSE volume down	72,104,240
Amex volume up	4,898,550
Amex volume down	3,525,230
NASDAQ volume up	83,318,108
NASDAQ volume down	30,074,359

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
BkNE	68173	3⅜	2½	2⅝	—1½
Citicorp	37915	26⅛	25⅝	26	—½
AT&T	29591	42⅛	41⅜	42⅛	—¼
Rorer	29439	64½	63⅝	63⅞	+1
Digital	23719	81⅜	76⅛	78	—4
NII	20678	16⅝	14⅝	16½	+1⅝
GenEl	19247	65	63⅞	64⅞	+1⅛
PhilMrs	19031	39⅝	39⅛	39⅝	—⅛
Exxon	18759	48⅝	48	48⅝	+⅜
Aristecs	16934	26⅛	25¼	26	+⅞
IBM	16487	99⅜	98½	98⅞	—⅞
Varity	15818	3⅛	3	3⅛	
OcciPet	15676	29¼	27⅞	28	—1¼
GMotrs	14117	42½	41⅞	42½	+⅜
BkBost	14082	16¼	15½	15½	—1⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Sal Nk wt	9172	4	3⅞	4	
Coron	4573	8⅝	8¼	8⅝	
Dk Nk wt	4567	5⅜	5	5⅜	
EchoBy	4501	19¼	18⅞	19¼	
NY Tim	4099	25⅛	25	25⅛	—1
Hilhov n	3750	2½	2	2⅛	+⅛
TexAir	2749	9⅜	9¼	9¼	—⅛
A-axa	2544	28⅛	27½	27⅞	—⅛
BoltPh	2146	16¼	15⅝	16⅛	+⅛
DowCrt	2128	8½	8¼	8½	+⅛
Fruitl.	2108	14⅝	14½	14⅝	
AdvMd n	1815	12¼	8	8	—4¼
Fiber	1781	18⅞	18	18⅞	+⅞
Amdhl	1771	14⅝	14⅛	14⅝	—⅛
ICH	1762	5¼	5	5	—¼

Oil Rally and Bonds Bolster Dow Index

United Press International

NEW YORK — Stocks closed higher Friday in active trading on the New York Stock Exchange, taking advantage of gains in the bond market and a rally in oil issues to rebound from declines earlier in the week.

The Dow Jones industrial average, which rose 7.25 points on Thursday, gained 11.52 to close at 2,677.90. The transportation average jumped 11.55 to 1,153.98

N.Y. Stocks

thanks to a surge in shares of UAL, the parent company of United Airlines, on reports that investor Marvin Davis was preparing a new takeover bid.

Among broader market gauges, the New York Stock Exchange composite index rose 0.49 point to 187.56. Standard & Poor's 500-stock index gained 0.96 to 339.15. The price of an average NYSE share was up 9 cents.

Advances led declines by about a 4-3 ratio. Big Board volume totaled about 185.6 million shares, compared with 178.6 million shares traded Thursday.

"Bonds closed up very nicely and there was some bargain hunting too," said Ralph Bloch, senior vice president and chief market analyst at Raymond, James & Associates in St. Petersburg, Florida.

Treasury bonds were higher after their selloff Thursday. On Friday afternoon, the 30-year bond was up 7/32 at 97 29/32, yielding 8.31 percent.

Then oil issues staged an afternoon rally to lead the market still higher, following a sharp rise in oil prices which was spurred by an oil workers' strike in Brazil and an explosion at a Mexican refinery, analysts said.

The monthly expiration of stock index futures and options, known as a "double-witching hour," also generated buying, Mr. Bloch said.

Bank of New England, the most active NYSE issue, plunged 1½ to 2¾ after reports said early Friday the bank expects a $1.2 billion loss for the fourth quarter and a $1.05 billion loss for the year.

Citicorp followed, down ½ to 26. Rorer Group was third, up 1 to 63⅞.

Prices closed narrowly mixed in moderately active trading on the American Stock Exchange.

In Tokyo earlier, the Nikkei price average staged a late rally on the Tokyo Stock Exchange on index-linked buying, ending a four-day losing streak, but prospects of full recovery were slim amid political uncertainties.

The 225-issue Nikkei Stock Average gained 107.08 points, or 0.3 percent, to close the week at 36,836.54 Friday, against a 91.68 point loss the previous day.

Dollar Slips As Dealers Take Profits

Reuters

NEW YORK — The dollar closed slightly lower on Friday amid profit-taking on its recent rally and some overnight intervention by the Bank of Japan.

But dealers said that expectations that U.S. interest rates would not drop anytime soon would keep the U.S. currency strong against

Foreign Exchange

the Deutsche mark in the near term.

"I think we will try to test 1.73 DM early next week," said Waqar Sheikh of Bank of Credit & Commerce International. "The scenario for recession is no longer there and interest rates may even back up."

The U.S. currency dropped Friday to close at 1.7115 DM, compared with 1.7152 on Thursday. The dollar slipped to 146.00 yen from 146.355 yen. The mark was quoted at 85.25 yen.

The dollar also slipped against the British pound, which closed at $1.6455, compared with $1.6435 on Thursday. The dollar also lost ground against the Swiss franc, declining to 1.5225 francs from 1.5240 francs, and against the French franc, dipping to 5.8130 francs from 5.8295 francs.

The West German currency was boosted when short-mark, long-yen positions were squared, and when stop-loss orders were triggered on the mark's rise above 85.25 yen.

"Mark-yen has been under significant pressure the past few days," said Michael Guarino, chief dealer at Algemene Bank Nederland. "It was bound to correct."

The dollar weakened after the Bank of Japan intervened repeatedly overnight. Nonetheless, market sentiment remained bearish toward the yen, dealers said.

A Japanese bank dealer in London said rumors Friday that the Bank of Japan might raise its discount rate ahead of February's Japanese elections also weighed on the dollar.

Dealers added that the market's volatility Friday was partly due to traders adjusting their currency positions ahead of the weekend. The mark was sold against the yen and the Swiss franc in the afternoon, reflecting worries about escalating turmoil in the south of the Soviet Union.

"The market remains nervous about the Fed's credit policy," said Ryuji Agusa, manager at Bank of Tokyo's foreign exchange section. He said that traders have not been convinced about the direction of U.S. interest rates.

In European trading earlier, the dollar closed at 145.80 yen, down from Thursday's close of 146.03.

London Dollar Rates

Closing	Fri.	Thu.
Deutsche mark	1.7110	1.7057
Pound sterling	1.6450	1.6455
Japanese yen	145.80	146.03
Swiss franc	1.5182	1.5170
French franc	5.8050	5.8000

Source: Reuters

BUSINESS BRIEFS

Heavy Loss by Bank of New England Casts Doubt on Independent Survival

BOSTON (AP) — Bank of New England Corp., plagued by bad real estate loans, said Friday it expected to report a $1.05 billion loss for 1989, and analysts said prospects of a federal takeover were growing.

"It's 'Do they survive?' time," said Virginia Adair, a banking analyst with Drexel Burnham Lambert Inc. in New York. "The odds are increasingly slim."

The bank said it was "actively pursuing" the sale of more than $6 billion in assets to help increase equity capital.

The recent real estate slump in the region has hurt many banks, but analysts said. Bank of New England was one of the biggest victims because of its aggressive lending strategy during a construction boom earlier in the 1980s. Last month, Walter Connolly, the bank's chairman, relinquished his role as chief executive officer.

Another UAL Bid by Davis Reported

NEW YORK (Reuters) — The stock of UAL Corp. rose sharply on the New York Stock Exchange following a Business Week magazine report that Marvin Davis would launch a new bid for UAL. But many arbitragers said they viewed the report with skepticism.

UAL finished $6.75 a share higher, at $165.

Business Week reported that Mr. Davis, the Los Angeles investor who last year launched the bidding war for UAL, would soon make a new offer in the range of $250 a share.

Huntsman to Fight Mitsubishi Bid

PITTSBURGH (Reuters) — Jon Huntsman, the Salt Lake City businessman who has bid $25 a share for Aristech Chemical Corp., said he would fight an offer for the company amounting to $26 a share made this week by Mitsubishi Corp. and the Aristech management.

Mr. Huntsman did not say whether his plans include making a rival offer or asking the firm to give him access to nonpublic information.

Mitsubishi confirmed that its $845 million offer would give it about an 85 percent stake in Aristech.

Ashland Profit Declines by 77%

NEW YORK (UPI) — Ashland Oil Inc., the largest U.S. independent refiner, reported Friday that profit dropped 77 percent for the quarter ended Dec. 31 as a result of higher prices and lower demand.

The company, which is based in Ashland, Kentucky, reported earnings of $22 million, or 40 cents a share, for its fiscal 1990 first quarter, compared with $96 million, or $1.72 a share, a year ago.

For the Record

The Washington Post Co. said Friday it had applied for listing of its Class B common stock on the New York Stock Exchange. It has 10,596,244 outstanding Class B shares, currently traded on the American Stock Exchange. The company's 1,852,378 Class A shares are owned by Katherine Graham and her family and are not traded publicly. *(Reuters)*

The Swedish conglomerate Procordia said Friday that its subsidiary Swedish Tobacco Group had signed an agreement in principle to acquire all the shares of Bunte General Corp., a U.S. confectionery firm based in Oklahoma. *(Reuters)*

JAPAN: *Surplus Drops Sharply*

(Continued from first finance page)

ucts on which Japan built its global reputation as a fierce competitor — steel and cars — registered declines. Overseas demand for cars "is spectacularly weak," Mr. Tschoegl said. "The downturn could be here for the long haul."

Japanese carmakers are increasingly supplying their customers in the United States with vehicles made at their new factories in America, not with those exported from Japan.

A Japanese government official noted that quarterly figures showed Japan's exports to the United States fell 8.4 percent in the first quarter, 8.7 percent in the second, 16.6 percent in the third and 42.0 percent in the last quarter.

Steel companies have cut back on exports to meet surging demand at home from the construction and automobile industries.

"There is a structural shift away from exports to domestic demand," said Hidehiro Iwaki, an economist at Nomura Research Institute.

Some economists fear the shift could be stalled by the weak yen. They expect exports to pick up later this year as Japan's weak currency helps to make its goods more competitive on world markets.

"I think that we're in for some turbulence on the trade front," said Kenneth Courtis, senior economist at DB Capital Markets (Asia).

The government official noted that Japan's imports of manufactured goods accounted for more than half the country's total imports for the first time last year, amounting to 50.3 percent.

Imports of machinery and equipment, including cars, semiconductors and other electronics parts, surged 21.4 percent to $32.4 billion. They accounted for more than 15 percent of all imports.

(Reuters, UPI, AFP)

U.S. FUTURES

Via Associated Press Jan. 19

Season High	Season Low		Open	High	Low	Close	Chg.
Grains							
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
4.43	3.87	Mar	3.97	3.97	3.91¾	3.92	—.05¼
4.32	3.70	May	3.74¼	3.76	3.71	3.72	—.04¼
3.85	3.42¼	Jul	3.51½	3.53½	3.50¼	3.52¼	—.00½
3.73	3.48	Sep	3.56½	3.58½	3.56¼	3.57¾	+.00¼
3.80	3.56	Dec	3.67¾	3.69½	3.67	3.68¼	—.00½
3.82½	3.74	Mar	3.74	3.74	3.74	3.74	—.00½
Est. Sales		Prev. Sales 18,847					
Prev. Day Open Int. 54,338 up 494							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.56½	2.26	Mar	2.41½	2.42	2.41½	2.41¾	—.00¼
2.60½	2.30	May	2.48¼	2.48½	2.47½	2.47¾	—.00½
2.55	2.31	Jul	2.52½	2.52¾	2.52	2.52¼	—.00¼
2.71	2.29	Sep	2.51½	2.51¼	2.51¼	2.51½	—.00¼
2.63½	2.22	Dec	2.49	2.50½	2.48¾	2.49½	—.00¼
2.56	2.41	Mar	2.54½	2.56¼	2.54½	2.56	
2.60	2.55½	May	2.59	2.60½	2.59	2.59½	—.00¼
Est. Sales		Prev. Sales 30,535					
Prev. Day Open Int. 182,840 off 409							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
7.47	5.51	Jan	5.61	5.61	5.57½	5.58	—.02¾
7.74	5.63½	Mar	5.70½	5.70½	5.65	5.65½	—.04¼
7.78	5.73½	May	5.84	5.84	5.78¼	5.78¼	—.05
7.31	5.78½	Jul	5.95	5.95½	5.89	5.89½	—.06
7.05	5.78	Aug	5.98	5.98	5.93	5.93¼	—.05¼
6.60	5.68	Sep	5.97½	5.98	5.93	5.93½	—.02¾
6.40	5.64½	Nov	6.02½	6.03¾	5.99	5.99½	—.03
6.35½	5.87	Jan	6.13	6.13	6.10	6.10	—.03
6.43	6.19½	Mar	6.22	6.22	6.21	6.21	—.02
Est. Sales		Prev. Sales 21,448					
Prev. Day Open Int. 95,780 up 86,265							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
230.00	169.70	Jan	170.00	170.30	167.50	167.50	—2.60
249.20	173.00	Mar	173.50	173.80	171.50	171.60	—1.90
230.50	174.50	May	175.60	175.80	173.50	173.70	—1.90
206.00	174.00	Jul	178.80	178.80	176.30	176.50	—1.90
188.00	173.50	Aug	180.00	180.00	177.60	177.60	—2.20
183.00	171.50	Sep	180.80	181.20	178.50	178.70	—2.30
188.50	174.00	Oct	182.00	182.20	179.80	179.80	—2.20
190.50	174.00	Dec	184.70	184.70	183.00	183.50	—1.30
187.00	185.00	Jan				185.00	—.50
Est. Sales		Prev. Sales 10,776					
Prev. Day Open Int. 57,674							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.45	18.35	Jan	19.05	19.07	18.78	18.80	—.23
25.05	18.78	Mar	19.27	19.28	19.00	19.01	—.22
26.05	19.20	May	19.60	19.63	19.39	19.41	—.17
25.80	19.50	Jul	19.85	19.90	19.67	19.68	—.16
23.90	19.50	Aug	19.91	19.92	19.72	19.72	—.20
21.70	19.51	Sep	19.95	19.97	19.68	19.69	—.26
21.35	19.82	Oct	20.00	20.00	19.80	19.80	—.20
21.50	19.93	Dec	20.10	20.15	19.96	19.96	—.22
21.45	19.95	Jan	19.91	19.91	19.91	19.90	—.20
20.60	20.10	Mar	20.01	20.01	20.01	20.00	—.20
Est. Sales		Prev. Sales 8,570					
Prev. Day Open Int. 72,296 off 388							
Livestock							
CATTLE (CME) 40,000 lbs.- cents per lb.							
75.90	69.80	Feb	78.87	79.37	78.70	79.35	+.55
77.20	70.80	Apr	77.02	77.45	76.80	77.40	+.40
73.45	69.75	Jun	72.32	72.62	72.20	72.55	+.25
72.07	69.12	Aug	71.32	71.65	71.12	71.60	+.28
72.45	68.20	Oct	72.25	72.47	72.12	72.42	+.10
73.20	71.00	Dec	72.70	72.97	72.65	72.90	+.05
Est. Sales		Prev. Sales 25,695					
Prev. Day Open Int. 100,435 up 1,693							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
85.60	77.20	Jan	83.75	83.97	83.65	83.85	+.08
84.10	77.40	Mar	83.05	83.45	82.90	83.30	+.43
83.00	73.90	Apr	82.42	82.70	82.20	82.67	+.35
82.00	78.60	May	81.65	81.80	81.40	81.67	+.25
81.10	78.50	Aug	80.52	80.80	80.45	80.80	+.30
80.35	78.25	Sep	80.05	80.10	80.05	80.20	+.20
80.00	78.20	Oct	79.75	79.80	79.55	79.80	+.10
80.00	79.00	Nov	80.00	80.00	80.00	80.10	+.10
Est. Sales 992		Prev. Sales 1,434					
Prev. Day Open Int. 10,907 off 47							
HOGS (CME) 30,000 lbs.- cents per lb.							
51.57	41.75	Feb	49.75	49.82	49.20	49.55	—.05
42.90	39.40	Apr	48.10	48.45	47.65	48.17	+.07
53.45	44.25	Jun	53.00	53.20	52.55	52.95	
51.75	44.95	Jul	53.00	53.20	52.60	52.97	+.05
51.75	43.70	Aug	51.30	51.50	50.87	51.20	+.18
46.55	40.80	Oct	45.60	45.60	45.45	45.50	+.10
47.90	44.25	Dec	46.50	46.50	46.50	46.67	—.08
46.90	45.25	Feb				46.90	
Est. Sales 6,740		Prev. Sales 9,516					
Prev. Day Open Int. 31,656 up 793							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
65.90	38.30	Feb	55.47	55.82	54.52	55.15	—.37
64.90	38.15	Mar	56.10	56.50	55.15	55.67	—.23
63.75	39.50	May	57.50	57.85	56.55	57.27	+.02
61.90	39.95	Jul	57.70	58.05	56.85	57.60	+.05
60.50	39.30	Aug	55.90	56.20	55.15	55.65	—.07
63.40	48.07	Feb	58.40	58.40	57.70	57.70	—.80
50.00	50.20	Mar				56.80	
Est. Sales 5,604		Prev. Sales 6,393					
Prev. Day Open Int. 12,865 up 650							
Food							
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
146.00	71.00	Mar	79.40	81.45	79.25	81.31	+1.94
124.50	72.75	May	81.00	82.80	81.00	82.61	+1.48
132.75	74.85	Jul	83.20	84.70	83.05	84.30	+1.34
120.00	77.25	Sep	84.90	86.10	84.90	86.10	+1.20
104.00	81.00	Dec	87.50	88.75	87.50	88.20	+.85
116.75	83.00	Mar				90.75	+1.25
123.00	91.50	May				92.75	+1.50
Est. Sales		Prev. Sales 4,908					
Prev. Day Open Int. 37,218 up 313							
SUGAR WORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
15.38	8.75	Mar	14.41	14.43	14.25	14.26	—.15
15.10	9.20	May	14.35	14.40	14.25	14.25	—.10
14.84	10.55	Jul	14.22	14.25	14.10	14.10	—.13
14.41	10.40	Oct	13.88	13.89	13.70	13.71	—.16
13.74	12.10	Mar	13.18	13.19	13.04	13.04	—.10
		May				12.95	—.09
Est. Sales 9,445		Prev. Sales 13,750					
Prev. Day Open Int. 161,612 off 241							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1535	896	Mar	928	939	925	932	—5
1465	905	May	938	943	928	934	—5
1380	921	Jul	958	959	945	946	—14
1400	941	Sep	973	978	965	967	—7
1395	965	Dec	999	1003	994	995	—5
1380	985	Mar	1024	1024	1014	1015	—6
1071	1000	May	1030	1030	1028	1028	—5
Est. Sales 5,019		Prev. Sales 8,622					
Prev. Day Open Int. 52,750 off 1,569							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
201.00	121.00	Jan	187.05	191.95	187.05	191.85	+3.15
201.00	121.40	Mar	194.50	199.00	194.50	197.80	+2.30
201.00	122.50	May	194.70	198.90	194.70	198.85	+3.80
200.00	123.80	Jul	195.20	198.95	195.20	198.95	+4.00
197.00	123.50	Sep	193.25	196.40	193.25	196.40	+3.15
195.00	124.00	Nov	191.50	194.50	191.50	194.25	+3.25
190.50	180.00	Mar				189.95	+1.75
189.75	178.00	May	190.00	190.00	190.00	190.00	+1.80
Est. Sales		Prev. Sales 2,712					
Prev. Day Open Int. 10,325							
Metals							
HI GRADE COPPER 25,000 lbs.- cents per lb.							
130.00	101.75	Jan	100.70	101.50	100.10	101.00	—2.25
126.00	102.50	Feb	99.75	100.10	99.75	99.80	—3.00
125.90	98.50	Mar	100.35	100.80	98.80	99.30	—3.05
123.70	98.70	Apr				99.00	—2.70
128.70	95.85	May	99.30	100.00	98.50	98.80	—2.90
116.80	98.50	Jun	99.60	99.60	98.20	98.45	—2.35
117.10	93.25	Jul	99.00	99.40	97.90	98.15	—2.25
110.50	100.50	Aug	98.50	98.50	98.50	97.85	—2.20
113.30	94.00	Sep	99.00	99.00	97.70	97.55	—2.05
109.00	99.50	Oct	97.75	97.75	97.75	97.25	—1.95
101.70	99.00	Nov	97.50	97.50	97.50	96.95	—1.90
110.00	93.75	Dec	98.00	98.00	96.50	96.70	—1.80
102.50	101.00	Jan				96.50	—1.80
106.00	98.50	Mar	96.50	96.50	96.50	96.10	—1.70
103.25	103.25	May				95.90	—1.60
		Jul				95.50	—1.60
		Sep				95.50	—1.40
Est.Sales 9,200		Prev.Sales 6,183		Prev.Day Open Int. 29,949		Chg. +91	
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
82.50	82.50	Jan				66.75	—2.00
		Feb				66.75	—2.00
87.00	71.00	Mar	68.00	68.00	68.00	68.00	—2.00
75.00	73.50	May				68.00	—2.00
95.50	95.50	Jul				68.00	—2.00
74.50	74.50	Sep				68.00	—2.00
		Dec				68.00	—2.00
		Jan				68.00	—2.00
		Mar				68.00	—2.00
		May				68.00	—2.00
		Jul				68.00	—2.00
		Sep				68.00	—2.00
Est. Sales		Prev. Sales					
Prev. Day Open Int. 48							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
815.0	512.0	Jan	517.0	520.0	517.0	520.2	+1.2
567.0	520.0	Feb				520.9	+1.0
910.0	517.6	Mar	524.0	527.5	522.0	525.0	+1.0
910.0	526.5	May	533.5	535.5	530.0	533.4	+1.0
761.5	534.0	Jul	540.5	544.0	539.0	541.6	+1.0
740.0	541.0	Sep	550.0	550.0	550.0	550.2	+1.0
742.0	552.5	Dec	560.0	564.0	560.0	562.0	+1.0
688.0	596.0	Jan				565.6	+1.0
665.0	565.0	Mar	572.0	572.0	572.0	574.4	+1.0
647.0	573.0	May				582.3	+1.0
667.5	583.0	Jul				590.7	+1.0
654.0	590.0	Sep				599.4	+1.0
Est. Sales 15,000		Prev. Sales 19,600					
Prev. Day Open Int. 95,392 up 962							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
601.50	464.50	Jan	494.00	495.00	494.00	497.00	+3.40
557.50	473.00	Apr	500.00	504.80	498.00	504.00	+3.90
556.00	477.00	Jul	506.60	510.00	505.50	510.50	+3.90
560.50	483.50	Oct	514.00	514.00	514.00	517.50	+3.70
537.00	493.90	Jan	522.50	522.50	522.50	525.00	+3.70
		Apr	529.50	529.50	529.50	532.50	+3.20
Est. Sales		Prev. Sales 2,526					
Prev. Day Open Int. 19,567 up 211							
PALLADIUM (NYME) 100 troy oz- dollars per oz.							
174.00	123.00	Mar	135.50	136.25	135.10	135.90	+.15
175.00	133.00	Jun	137.00	137.00	137.00	136.90	+.25
149.50	133.00	Sep	138.00	138.00	138.00	137.90	+.25
147.00	138.25	Dec				138.75	+.25
141.00	141.00	Mar				139.50	+.25
Est. Sales		Prev. Sales 239					
Prev. Day Open Int. 6,380 off 4							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
418.00	378.00	Jan				410.00	—.20
516.00	364.70	Feb	411.00	412.80	409.00	410.90	—.30
428.50	397.00	Mar	413.00	413.00	413.00	413.40	—.30
525.80	370.00	Apr	417.00	418.40	414.50	416.40	—.30
477.00	372.90	Jun	421.70	423.40	419.70	421.70	—.30
487.00	380.00	Aug	428.00	428.00	427.70	426.70	—.10
472.00	384.50	Oct				431.90	
455.50	387.50	Dec	437.20	438.00	434.00	437.00	
454.50	394.80	Feb	441.50	442.00	441.20	442.20	
460.00	398.90	Apr				447.20	
462.00	402.60	Jun				452.70	+.10
468.00	389.50	Aug				457.90	+.10
475.00	450.00	Oct				463.40	+.20
Est. Sales 35,000		Prev. Sales 53,569					
Prev. Day Open Int. 145,796 off 1,105							
Financial							
US T. BILLS (IMM) $1 million- pts of 100 pct.							
93.60	90.75	Mar	92.66	92.66	92.59	92.63	+.03
93.45	91.10	Jun	92.76	92.76	92.70	92.74	+.06
93.65	91.28	Sep				92.78	+.08
93.32	92.51	Dec				92.55	+.03
93.20	92.51	Mar				92.58	+.03
92.70	92.40	Jun				92.63	+.03
Est. Sales 4,081		Prev. Sales 11,417					
Prev. Day Open Int. 39,499 off 2,621							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
101-7	95-17	Mar	97-19	97-28	97-12	97-27	+13
101-6	97-10	Jun	97-13	97-24	97-7	97-24	+13
100-14	98-1	Sep				97-21	+13
Est. Sales		Prev. Sales 30,249					
Prev. Day Open Int. 72,873 up 1,876							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
101-4	72-1	Mar	95-22	95-27	95-5	95-27	+19
100-15	73	Jun	95-9	95-20	95-3	95-22	+18
100-4	79-1	Sep	95-2	95-18	95	95-18	+17
99-24	80	Dec	94-26	95-10	94-24	95-10	+16
99-12	79-21	Mar	94-21	95-2	94-18	95-2	+15
99-4	82-18	Jun	94-17	94-24	94-17	94-24	+14
99-5	86-4	Sep	94-18	94-18	94-15	94-15	+13
98-20	88-18	Dec	94-14	94-14	94-4	94-7	+12
98-13	94-4	Mar				94	+12
97-19	94-16	Jun				93-25	+12
		Sep				93-18	+12
Est. Sales		Prev. Sales 499,692					
Prev. Day Open Int. 318,355 off 1,748							
MUNICIPAL BONDS (CBT) $1000 x index-pts & 32nds of 100 pct							
95-23	85-19	Mar	92-3	92-7	91-20	91-24	—1
95-13	87-2	Jun	92-9	92-9	91-23	91-28	—1
95-11	90-18	Sep	92-13	92-16	91-28	92	
Est. Sales		Prev. Sales 6,878					
Prev. Day Open Int. 12,999 off 113							
EURODOLLARS (IMM) $1 million- pts of 100 pct.							
92.46	88.90	Mar	91.66	91.70	91.64	91.69	+.10
92.45	88.82	Jun	91.60	91.66	91.58	91.64	+.12
92.39	88.74	Sep	91.52	91.59	91.52	91.57	+.13
92.15	89.85	Dec	91.32	91.37	91.30	91.36	+.13
92.01	89.82	Mar	91.28	91.31	91.26	91.30	+.10
91.85	89.91	Jun	91.24	91.26	91.20	91.24	+.08
91.83	90.04	Sep	91.22	91.24	91.18	91.21	+.06
91.78	90.04	Dec	91.19	91.19	91.12	91.15	+.05
91.82	90.09	Mar	91.20	91.24	91.18	91.20	+.05
91.76	90.88	Jun	91.17	91.19	91.14	91.16	+.05
91.72	90.88	Sep	91.12	91.15	91.09	91.11	+.05
91.53	90.87	Dec	91.03	91.05	91.00	91.01	+.04
91.65	90.92	Mar	91.04	91.04	91.02	91.02	+.04
91.51	90.90	Jun	90.98	91.01	90.98	90.98	+.04
91.47	90.89	Sep	90.93	90.96	90.92	90.93	+.04
91.37	90.84	Dec	90.88	90.89	90.84	90.87	+.04
Est. Sales 198,858		Prev. Sales 305,890					
Prev. Day Open Int. 652,991 up 18,853							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.6538	1.4600	Mar	1.6236	1.6326	1.6200	1.6296	+26
1.6750	1.4400	Jun	1.5980	1.6060	1.5940	1.6036	+26
1.7700	1.5290	Sep	1.5814	1.5830	1.5720	1.5810	+26
Est. Sales		Prev. Sales 8,007					
Prev. Day Open Int. 22,404 up 381							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8595	.7890	Mar	.8443	.8443	.8383	.8398	—79
.8521	.8080	Jun	.8390	.8390	.8325	.8341	—81
.8468	.8187	Sep	.8318	.8325	.8285	.8299	—83
.8420	.8120	Dec	.8280	.8280	.8245	.8257	—85
.8365	.8160	Mar	.8245	.8245	.8245	.8215	—92
Est. Sales		Prev. Sales 17,351					
Prev. Day Open Int. 26,716 up 1,310							
FRENCH FRANC (IMM) $ per franc- 1 point equals $0.00001							
		Mar				.16780	
Est. Sales		Prev. Sales					
Prev. Day Open Int.							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6012	.5000	Mar	.5832	.5869	.5821	.5843	+5
.6007	.5057	Jun	.5823	.5865	.5816	.5838	+5
.5980	.5325	Sep	.5850	.5859	.5845	.5834	+5
.5866	.5769	Dec				.5834	+5
.5940	.5915	Mar				.5836	+5
Est. Sales		Prev. Sales 49,767					
Prev. Day Open Int. 62,465 off 276							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.008336	.006780	Mar	.006860	.006890	.006859	.006875	+22
.007530	.006850	Jun	.006875	.006891	.006875	.006892	+21
.007390	.006890	Sep				.006911	+20
.007040	.006920	Dec				.006932	+20
Est. Sales		Prev. Sales 26,947					
Prev. Day Open Int. 59,803 up 3,025							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.6709	.5740	Mar	.6545	.6596	.6544	.6561	+8
.6694	.5850	Jun	.6528	.6575	.6528	.6548	+10
.6630	.6050	Sep				.6540	+9
.6592	.5600	Dec				.6535	+10
.6575	.6530	Mar				.6539	+8
Est. Sales		Prev. Sales 23,469					
Prev. Day Open Int. 34,179 off 1,637							
Industrials							
LUMBER (CME) 150,000 bd. ft.- $ per 1,000 bd. ft.							
204.90	185.00	Mar	204.70	205.20	202.30	203.50	—1.20
203.40	188.00	May	203.20	203.30	201.40	202.30	—.90
203.40	177.50	Jul	202.30	202.30	201.10	201.40	—.70
202.70	192.00	Sep	201.60	201.60	200.80	201.80	+.20
200.00	189.90	Nov	196.30	197.50	196.20	197.80	+1.00
199.80	186.30	Jan	198.80	198.80	198.80	199.20	+.20
		Mar	199.50	199.50	199.50	199.50	—.50
Est. Sales 1,264		Prev. Sales 1,567					
Prev. Day Open Int. 5,926 off 152							
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
78.40	53.60	Mar	66.50	67.30	66.45	67.02	+.52
78.85	55.90	May	67.60	68.27	67.40	68.05	+.52
78.70	63.70	Jul	67.80	68.45	67.80	68.25	+.60
72.20	63.95	Oct	65.50	65.89	65.49	65.50	
69.25	62.80	Dec	64.45	64.75	64.25	64.56	+.14
68.45	62.82	Mar				65.03	+.18
64.80	64.40	May				65.50	+.15
77.40	76.45	Jul				66.13	+.18
Est. Sales 4,500		Prev. Sales 5,550					
Prev. Day Open Int. 40,536							
HEATING OIL (NYME) 42,000 gal- cents per gal							
78.50	48.00	Feb	62.45	64.05	62.00	63.85	+2.01
67.50	46.40	Mar	59.00	60.10	58.80	59.70	+1.03
62.50	45.00	Apr	56.20	57.10	56.20	56.85	+.79
59.50	44.50	May	54.65	55.15	54.50	54.90	+.34
57.70	44.90	Jun	53.50	53.75	53.15	53.40	+.19
57.20	46.80	Jul	53.00	53.31	53.00	53.21	+.35
57.40	47.80	Aug	53.45	53.70	53.45	53.70	+.29
58.00	48.00	Sep	54.50	54.80	54.30	54.50	+.29
56.00	52.00	Oct	55.10	55.10	55.00	55.00	+.19
58.50	52.85	Dec	56.30	56.30	56.30	56.30	+.27
Est. Sales		Prev. Sales 32,055					
Prev. Day Open Int. 79,277 off 1,393							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
23.92	15.74	Feb	23.00	23.80	22.98	23.75	+.99
23.18	16.10	Mar	21.84	22.23	21.71	22.05	+.46
22.58	16.30	Apr	21.15	21.47	21.06	21.33	+.36
22.15	16.20	May	20.65	20.98	20.60	20.90	+.30
21.74	16.50	Jun	20.25	20.53	20.25	20.35	+.28
21.40	16.60	Jul	19.89	20.15	19.83	20.10	+.35
21.06	16.39	Aug	19.62	19.85	19.54	19.75	+.29
20.86	16.50	Sep	19.39	19.57	19.30	19.50	+.28
20.55	16.50	Oct	19.28	19.31	19.12	19.31	+.28
20.50	12.80	Dec	18.95	19.20	18.95	19.20	+.35
20.43	17.87	Jan	19.14	19.14	19.14	19.14	+.35
20.08	18.15	Feb	19.08	19.08	19.08	19.08	+.35
19.10	17.08	Jul	18.65	18.65	18.65	18.65	+.18
Est. Sales		Prev. Sales 39,094					
Prev. Day Open Int. 290,845 up 61,600							
Stock Indexes							
SP COMP. INDEX (CME) points and cents							
369.05	325.80	Mar	342.50	343.20	341.40	342.20	+1.35
373.20	332.85	Jun	346.90	347.00	345.50	346.30	+1.25
372.50	343.70	Sep				350.30	+1.35
Est. Sales		Prev. Sales 56,974					
Prev. Day Open Int. 109,990 off 652							
VALUE LINE (KCBT) points and cents							
314.80	275.75	Mar	280.25	280.60	279.50	279.45	+.20
317.30	281.00	Jun	284.00	284.00	283.65	283.65	+.10
287.65	286.10	Sep				287.90	+.10
		Dec				292.20	+.10
Est. Sales		Prev. Sales 173					
Prev. Day Open Int. 1,215 off 9							
NYSE COMP. INDEX (NYFE) points and cents							
204.20	170.20	Mar	189.50	189.75	188.70	189.85	+.55
205.40	179.00	Jun	191.75	191.75	190.85	191.10	+.50
209.00	190.00	Sep				193.20	+.50
206.50	197.70	Dec				195.20	+.50
Est. Sales		Prev. Sales 8,199					
Prev. Day Open Int. 6,058 off 257							

Commodity Indexes

	Close	Previous
Moody's	1,059.80 f	1,067.40 f
Reuters	1,798.70	1,799.60
D.J. Futures	129.84	130.00
Com. Research	231.33	231.32

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

WORLD STOCK MARKETS

Agence France Presse Jan. 19

	Close	Prev.
Amsterdam		
ABN Bank	39.50	39.40
ACF Holding	38.60	37.70
Aegon	110.70	109.90
Ahold	124.60	123.40
Akzo	129.70	128.70
AMEV	57.50	58
A'Dam Rubber	5.60	5.50
Amro Bank	76.30	75.60
Bols	168.80	170
Buhrmann Tett	60	58.40
BVG	27	27
Center Parcs	57	56.90
CSM	77.20	76.80
DAF	36.10	36
DSM	115.20	115
Elsevier	80.80	79.80
Fokker	38.50	38.30
Gist-Brocades	29.80	29.40
Heineken	121	119.80
Hoogovens	76.10	74.90
Hunter Douglas	103.10	102.60
IHC Caland	36.50	36.40
Inter Mueller	99	98
KLM	44.50	44.60
KNP	41.90	N.Q.
Nat Neder	70.30	69.80
Nedlloyd	87	85.80
NMB Bank	49.50	49
Oce Grinten	274.80	275
Pakhoed	149.30	151.20
Philips	44	43.60
Robeco	103.30	102.60
Rodamco	78.50	78.40
Rolinco	103	102.10
Rorento	58.60	58.70
Royal Dutch	140.60	138.10
Unilever	153	151.60
Van Ommeren	37.50	37.20
VMF Stork	46.60	46
VNU	107	107.60
Wessanen	64.30	63
Wolters/Kluwer	45.40	45.20
CBS Gen'l Trend Index : 113.60		
Previous : 112.20		
Brussels		
AG Fin	10800	10975
Arbed	5200	5130
Bekaert	14250	14250
Cockerill	191	189
Cobepa	5900	5960
Delhaize	5800	5770
EBES	4525	4510
GB-Inno-BM	1360	1352
GBL	4470	4440
Gevaert	8410	8410
Hoboken	20300	20225
Intercom	3485	3480
Kredietbank	4400	4400
Petrofina	12125	12175
Royal Belge	6480	6230
Soc Gen Banque	5740	5730
Soc Gen (reserv)	3420	3420
Sofina	14000	14100
Solvay	14550	14575
Tractebel	9360	9390
UCB	19375	19300
Unerg Ps	2600	2600
Current Stock Index : 6449.04		
Previous : 6484.83		
Frankfurt		
AEG	311	311.50
Allianz Hold	2640	2615
Altana	395	398.50
Asko	808	775
BASF	290.30	290.70
Bayer	300.50	301.50
Bay. Hypo bank	423	423
Bay Vereinsbk	397	400
BBC	595	595
BHF Bank	449	449
BMW	529	536
Commerzbank	297.50	298
Continental	310	310
Daimler Benz	812	819
Degussa	491	502.10
Dt Babcock	216	211
Deutsche Bank	807	811.50
Douglas	830	840
Dresdner Bank	418.50	417.50
Feldmuehle	525	525
Harpener	471	480
Henkel	564	562
Hochtief	1008	998
Hoechst	302	300.50
Hoesch	304	312
Holzmann	1180	1195
Horten	237	236
IWKA	395	397
Kali Salz	202.70	199.50
Karstadt	666	678
Kaufhof	480	482
KHD	249	248.50
Kloeckner Werke	257	262
Krupp Stahl	250	248
Linde	870	875.50
Lufthansa	203.50	200
MAN	436	433
Mannesmann	334	349
Metallgesell	624.90	612.10
Muench Rueck	2530	2530
Nixdorf	297.50	300
PKI	575	575
Porsche	1005	952
Preussag	387.20	385
PWA	338.50	331
RWE	417	433.50
Rheinmetall	359	340.50
Schering	763.50	769
SEL	383.50	385
Siemens	709.50	707
Thyssen	275.80	280
Varta	407	407
Veba	419.70	420
VEW	212	214
Viag	397.50	389
Volkswagen	525.50	522
Wella	689	677
DAX Index : 1,773.56		
Previous : 1,775.17		
FAZ Index : 743.78		
Previous : 744.13		
Helsinki		
Amer A	148	147
Enso-Gutzeit	28	31
K.O.P.	45	45.50
Kymmene	105	103
Nokia	102	102
Pohjola	190	190
Stockmann	215	220
United Paper	117	117
Wartsila	450	450
Unitas Index : 648.80		
Previous : 633.50		
Hong Kong		
Bk East Asia	18.10	17.80
Cathay Pacific	8.25	8.25
Cavendish Int'l	3.25	3.22
Cheung Kong	9.70	9.55
China Light Pwr	12.20	12.50
Dairy Farm Int'l	7.85	8
Hang Lung Dev	4.72	4.67
Hang Seng Bank	24.20	24.10
Henderson Land	6.15	6.15
HK Air Eng.	19.80	20
HK China Gas	20.10	20.10
HK Electric	7.90	7.95
HK Land	7.75	7.70
HK Realty Trust	4.40	4.40
HK Shang Bank	7.30	7.20
HK Shang Htls	4.55	4.40
HK Telecomm	5.25	5.35
HK Ferry	5.15	5.15
Hutch Whampoa	8.30	8.30
Hysan Dev	1.19	1.18
Jardine Math.	23.40	23.30
Jardine Str Hld	13.80	13.70
Kowloon Motor	6.85	6.90
Mandarin Orient	4.65	4.62
Miramar Hotel	4.70	4.80
New World Dev	10.10	10
SHK Props	12.90	12.50
Stelux	2.65	2.65
Swire Pac A	15.70	15.50
Tai Cheung Prps	3.80	3.70
TVE	0.86	0.86
Wharf Hold	6.85	6.90
Wing On Co	6.90	6.80
Winsor Ind.	7.50	7.45
World Int'l	3.27	3.20
Hang Seng Index : 2774.29		
Previous : 2771.87		
Johannesburg		
AECI	1875	1875
Altech	8200	8200
Anglo Amer Corp	13100	13650
Barlows	4525	4725
Blyvoor	1125	1200
Buffels	7000	6750
GFSA	10200	10500
Harmony	3580	3625
Highveld Steel	1500	1525
Kloof	4275	4485
Nedbank Grp	1165	1185
Rusplat	8250	8425
SA Brews	3150	3270
St Helena	4800	4800
Sasol	1330	1375
Welkom	3400	3425
Western Deep	18300	19150
Composite Stock Index : 3131		
Previous : 3176		
London		
Allied Lyons	5.08	4.99
Anglo Am Gld	41.87	41.87
AA Corp	23.50	24.87
Asda-MFI Gp	1.13	1.13
Ass Brit Foods	4.05	4.10
Barclays	5.54	5.56
Bass	10.58	10.50
B.A.T.	8.21	8.17
Blue Circle	2.51	2.46
BOC Group	5.30	5.29
Boots	2.71	2.72
Bowater	4.69	4.66
BAe	5.43	5.43
BAA	3.78	3.76
Brit Airways	2.07	2.05
British Gas	2.17	2.20
BP	3.29	3.27
British Steel	1.31	1.31
Brit Telecom	2.88	2.91
BTR	4.42	4.47
Burmah Oil	6.35	6.40
Cable Wire	5.48	5.45
Cadbury Sch	3.47	3.45
Charter Cons	4.53	4.52
Comm Union	4.86	4.85
Cookson	2.73	2.73
Courtaulds	3.72	3.72
Dalgety	3.95	3.98
De Beers	12.75	12.75
Dixons	1.28	1.26
Driefontein	15.75	15.87
Eurotunnel	6.40	6.22
Fisons	3.43	3.48
Gen Acc F	11.11	11.20
GEC	2.32	2.32
GKN	4.27	4.27
Glaxo	7.39	7.44
Grand Met	4.18	4.15
Gt Univ Stores	14.50	14.38
GRE	2.36	2.42
Guinness	4.71	4.64
Hanson Tr	2.38	2.36
Hawker Sidd	4.79	4.81
ICI	11.29	11.25
Kingfisher	2.84	2.86
Land Sec	5.77	5.72
Legal Gen Grp	3.90	3.95
Lloyds Bank	2.94	2.98
Lonrho	3.10	3.11
Lucas Ind	6.37	6.38
Marks Sp	1.95	1.99
Maxwell	2.14	2.14
MB Group	2.19	2.17
Midland Bk	3.68	3.68
NatWest	3.47	3.48
Pearson Grp	7.27	7.22
P and O	6.12	6.22
Pilkington	2.28	2.27
Prudential	2.15	2.21
Racal Elec	2.29	2.27
Randfontein $	10.06	10.56
Rank Org	8.45	8.40
Reed Int'l	4.32	4.30
Reuters	10.42	10.15
Rolls Royce	1.79	1.80
Royal Dutch	44.18	43.81
RTZ	5.44	5.48
Saatchi	2.47	2.30
Sainsbury	2.60	2.62
Sears Holds	1.07	1.05
Shell	4.58	4.58
Siebe	5.74	5.78
STC	2.60	2.65
Std Chart Bk	5.50	5.48
Storehouse	1.15	1.13
Sun Alliance	3.19	3.22
Tate and Lyle	3.81	3.95
Tesco	1.92	1.93
Thorn EMI	7.70	7.77
T.I. Group	4.28	4.22
Trafalgar Hse	3.62	3.68
THF	2.88	2.91
Ultramar	3.58	3.59
Unilever	6.73	6.73
Utd Biscuits	3.41	3.45
Vickers	2.22	2.15
War Loan 3½	34.75	34.63
Wellcome	7.02	7.22
Woolworth	61.10	61.60
F.T. 30 Index : 1844.40		
Previous : 1844.80		
F.T.S.E. 100 Index : 2335		
Previous : 2336.70		
Madrid		
Bco. Bilbao/Viz.	730	727
Banco Central	940	940
Bco. Santander	719	715
Banesto	925	920
Dragados	2610	2600
Iberduero	439	433
Telefonica	863	866
S.E. General Index : 286.13		
Previous : 286.49		
Milan		
Banca Comm	5212	5240
Bastogi	370	360
Cigahotels	5346	5346
CIR	4920	4950
Cred Ital	2840	2840
Enimont	1601	1606
Eridania	8520	8550
Ferruzzi Fin.	3101	3120
Ferruzzi Agr.	2565	2575
Fiat SPA	10900	10890
Generali	41000	40800
IFI	25790	25725
Italcem	128[illegible]	1269[illegible]
Italgas	3058	3056
Italmobiliare	20520	20680
Mediobanca	19450	19370
Montedison	2042	2050
NBA	2108	2100
Olivetti	7340	7350
Pirelli	2960	2950
RAS	27200	26800
Rinascente	7509	7915
Saipem	3150	3100
SIP	3384	3390
SME	3967	3970
Snia	7912	2920
Standa	33800	33900
Stet	4998	5020
Toro Assi Risp	22840	21800
a: x 100		
MIB Current Index : 1015		
Previous : 1014		
Montreal		
Alcan Aluminum	25	24¾
Bank Montreal	30½	30¾
Bell Canada	45	44¾
Bombardier A	16¼	16½
Bombardier B	15⅛	15¾
Cambior	16⅛	16⅛
Cascades	5	5
CB Pak	N.Q.	—
Dominion Text A	14⅞	14⅞
Donohue	18½	19½
MacMillan Bl	18⅞	18⅞
Memotec	10⅛	10½
Natl Bk Canada	11⅞	11⅞
Noverco	12⅛	12⅛
Power Corp.	15⅜	15⅜
Provigo	9½	9⅞
Quebec Tel	15½	15⅞
Quebecor A	N.Q.	14⅛
Quebecor B	12⅛	12½
Videotron	13¼	13½
Industrials Index : 1649.52		
Previous : 1637.58		
Paris		
Accor	880	875
Air Liquide	662	662
Avions Dassault	624	690
Bancaire (Cie)	612	608
BIC	732	740
Bongrain	3128	3131
Bouygues	611	608
BSN-GD	727	730
Carrefour	3510	3502
Cerus	425.80	437
C.G.E.	524	525
Chargeurs	1345	1324
Club Med	770	764
Dumez	864	858
Elf-Aquitaine	532	530
Europe 1	1193	1136
Gen. Eaux	2197	2170
Hachette	394	392.10
Havas	1422	1394
Imetal	306	300.10
Lafarge Coppee	384	382.50
Legrand	3485	3510
Oreal (L')	4706	4670
L.V.M.H.	5060	5050
Matra	377	369
Merlin Gerin	4855	4815
Michelin	149.80	147.90
Moulinex	135.20	132.20
Occidentale	806	766
Paribas	676	669
Pernod-Ricard	1451	1442
Perrier	1771	1772
Peugeot	742	744
Printemps (Au)	725	722
Radiotechnique	578	582
Raff. St. Louis	1606	1589
Redoute (La)	3480	3410
Roussel Uclaf	2250	2207
Saint Gobain	626	637
Sanofi	1049	1071
Skis Rossignol	1005	1015
Societ. Generale	509	504
Suez	448	448
Telemecanique	4448	4448
Thomson-CSF	144.80	144.50
Total	551	560
Valeo	791	798
CAC 40 Index : 1925.95		
Previous : 1934.72		
Sao Paulo		
Banco do Brasil	10.00	N.Q.
Bradesco	1.19	1
Brahma	1.20	1
Paranapanema	0.69	0.67
Petrobras	54	49
Vale Rio Doce	159	153
Varig	11.89	11.90
Bovespa Index : 10194		
Previous : 9840		
Singapore		
Cerebos	5.95	5.95
City Dev.	3.64	3.62
DBS	11.80	12
Fraser Neave	9.20	9.20
Genting	8.70	8.80
Harrisons Plant	1.69	1.76
Haw Par	2.95	3
Hume	3	3.16
Inchcape	5.80	5.75
Keppel	6.90	6.95
KL Kepong	3.28	3.34
Lum Chang	1.75	1.76
Malayan Banking	8.75	8.70
OCBC	9.45	9.40
OUB	4.44	4.44
OUE	8.90	9
Sembawang	6.60	6.55
Shangrila	9.45	9.40
Sime Darby	2.95	3.08
SIA	14.90	15
S'pore Land	13.50	13.50
S'pore Press	8.35	8.40
Sing Steamship	3.34	3.30
Straits Trading	3.62	3.48
UOB	5.75	5.75
United Overseas	2.19	2.22
Straits Times Ind. : 1527.21		
Previous : 1533.80		
Stockholm		
AGA	260	265
Alfa Laval	335	345
Asea	735	750
Astra-A	401	401
Atlas Copco	330	330
Electrolux B	282	292
Ericsson	310	315
Esselte-A	230	240
Handelsbanken	124	123
Pharmacia-A	224	224
Norsk Hydro	169	167.50
Saab-Scania	236	236
Sandvik	225	225
SCA-A	123	130
S-E. Banken	84.50	85.50
Skandia Int-A	250	250
Skanska	397	397
SKF	158	161
Stora	388	382
Volvo	415	431
Affaersvaerlden : 1231.90		
Previous : 1245.40		
Sydney		
ANZ	6.10	6.06
BHP	9.74	9.68
Bond	N.Q.	—
Boral	3.92	3.95
Bougainville	1.40	1.47
Coles Myer	8.30	8.26
Comalco	4.08	4.08
CRA	12.15	12.25
CSR	5.60	5.56
Dunlop	5.12	5.08
Elders IXL	2.35	2.39
ICI Australia	6.16	6.14
Magellan	1.70	1.70
MIM	2.27	2.31
Nat Aust Bank	6.52	6.48
News Corp	12.75	12.75
N Broken Hill	2.76	2.81
Poseidon	2.98	3
QCT Resources	1.54	1.56
Santos	4.30	4.30
TNT	2.80	2.83
Western Mining	6.30	6.40
Westpac Banking	5.66	5.60
Woodside	3.04	3.18
All Ordinaries Index : 1673.90		
Previous : 1677.70		
Tokyo		
Akai Electr	910	911
Asahi Chemical	1160	1160
Asahi Glass	2160	2200
Bank of Tokyo	1790	1810
Bridgestone	1640	1670
Canon	1810	1780
Casio	1570	1560
C.Itoh	1100	1090
Dai Nippon Print	2340	2300
Daiwa House	2500	2490
Daiwa Securities	2100	2110
Fanuc	8380	8500
Fuji Bank	3250	3320
Fuji Photo	4570	4560
Fujitsu	1500	1490
Hitachi	1500	1480
Hitachi Cable	1240	1240
Honda	1820	1810
Ito Yokado	4300	4320
Japan Air Lines	17400	17000
Kajima	2080	2010
Kansai Power	4420	4600
Kawasaki Steel	760	756
Kirin Brewery	1960	1960
Komatsu	1260	1260
Kubota	1150	1170
Kyocera	6090	6110
Matsu Elec Inds	2300	2290
Matsu Elec Wks	2060	2120
Mitsubishi Bk	2930	2970
Mitsubishi Kasei	998	999
Mitsubishi Elec	1050	1060
Mitsubishi Hev	1080	1070
Mitsubishi Corp	1720	1730
Mitsui and Co	1200	1200
Mitsukoshi	2470	2460
Mitsumi	1160	1160
NEC	1840	1830
NGK Insulators	1640	1610
Nikko Securities	1730	1750
Nippon Kogaku	1680	1640
Nippon Oil	1680	1700
Nippon Steel	709	701
Nippon Yusen	1180	1050
Nissan	1350	1350
Nomura Sec	3130	3150
NTT (SF)	14470	14400
Olympus Optical	1640	1620
Pioneer	4220	4300
Ricoh	1260	1220
Sanyo Elec	955	970
Sharp	1530	1520
Shimazu	1440	1440
Shinetsu Chem	1790	1770
Sony	8450	8640
Sumitomo Bk	3320	3390
Sumitomo Chem	883	888
Sumi Marine	1400	1360
Sumitomo Metal	770	766
Taisei Corp	1490	1460
Taisho Marine	1410	1380
Takeda Chem	2330	2330
TDK	6310	6240
Teijin	930	933
Tokyo Marine	2020	1970
Tokyo Elec Pw	5700	5450
Toppan Printing	2150	2150
Toray Ind.	971	971
Toshiba	1140	1160
Toyota	2460	2480
Yamaichi Sec	1770	1750
Nikkei 225 : 36836		
Previous : 36729		
New Index : 2781		
Previous : 2785		
Toronto		
Abitibi Price	13⅞	13¾
Agnico Eagle	10½	10⅝
Air Canada	11¼	11⅛
Alberta Energy	19¼	19⅛
Am Barrick Res	20½	20⅛
BCE	38	38⅛
BCED	1.30	1.30
Bk Nova Scotia	15	15
BC Gas	43½	N.Q.
BC Phone	18	18
BP Canada	19⅞	19⅛
Bramalea	21¼	21⅝
Brunswick	11¼	11¼
CAE	8½	8½
Campeau	5⅛	5⅛
CIBC	N.Q.	
Canadian Pacific	25¼	25½
Can Packers	16⅛	16⅜
Can Tire A	23⅛	23⅜
Cantor	26⅛	26⅛
Cara	18½	18⅜
CCL Ind B	9⅝	9⅞
Cineplex	7½	7⅝
Cominco	25⅛	26
Conwest Expl A	N.Q.	—
Corona A	10½	10¾
Denison Min B	4.40	4.40
Dickenson Min A	6⅞	6⅞
Dofasco	24⅛	24⅝
Dylex A	N.Q.	—
Echo Bay Mines	22½	22¾
Equity Silver A	4	4
FCA Int'l	10⅛	10⅛
Fed Ind A	12½	12⅞
Fletcher Chall A	15⅛	15½
FPI	6½	6½
GoldCorp	5⅜	5⅜
Grafton Group	N.Q.	—
Gulf Cda Res	14⅞	14⅞
Hees Int'l	29	29
Hemlo Gld Mines	19⅛	19⅛
Hollinger	11⅛	11⅛
Horsham	11⅛	11⅛
Hudson Bay	8⅛	8⅛
Imasco	36	35½
Inco	27⅛	27⅛
Interhome	44½	44⅝
Jannock	19⅝	19⅝
Labatt	24	24
Laidlaw Co	14⅞	14⅞
Mackenzie	8½	8⅛
Magna Intl A	6⅞	6⅞
Maritime	18⅛	18
Mark Res	11	11
MacLean Hunt X	18⅛	18⅛
Molson A	36⅛	36⅛
Noma Ind A	11⅛	11⅛
Noranda	N.Q.	—
Noranda Forest	14	13⅞
Norcen Energy	25⅛	25⅛
Nova Corp	7⅛	7⅝
Oshawa	31⅛	31⅛
Pagurin A	8⅛	8¼
Placer Dome	23⅛	23⅛
Poco Petroleum	8⅛	8⅛
PWA Corp	14⅛	14⅛
Quebec Sturgeon	1.30	1.30
Rayrock	10⅛	10⅝
Renaissance	24	24
Rogers B	9⅞	9⅞
Rothmans	68⅛	68⅛
Royal Bank Can	48⅛	48
Royal TrustCo	16⅛	16⅛
Sceptre Res	4.70	4.70
Scott's Hosp	14⅛	14⅛
Seagram	100⅛	100⅛
Sears Can	12⅛	12⅛
Shell Can	41⅛	41⅛
Sherritt Gordon	9⅛	9⅛
SHL Systemhse	10⅛	10⅛
Southam	30⅛	30⅛
Spar Aerospace	19⅛	19⅛
Stelco A	20⅛	20⅛
Teck B	27⅛	27⅛
Thomson News	15⅛	15⅛
Toronto Domn	22⅛	22⅛
Torstar B	24	24
Transalta Util	13⅛	13⅛
TransCda Pipe	16⅛	16⅛
Trilon Finl A	20⅛	20⅛
Trimac	6⅛	6⅛
Trizec A	22⅛	23
Turbo Resources	0.49	0.49
Unicorp A	4.80	4.80
Woodward's Ltd	2.15	2.15
TSE 300 Index : 3857.40		
Previous : 3859.78		
Zurich		
Adia Int'l	1850	1840
Alusuisse	1365	1352
Bank Leu	3325	3325
Brown Boveri	5300	5225
Ciba Geigy	3690	3635
CS Holding	2525	2510
Elektrow	3070	3085
Fischer	1990	1950
Interdiscount	4090	4100
Jacobs Suchard	6740	6700
Jelmoli	2190	2150
Landis Gyr	1550	1570
Moevenpick	5200	5250
Nestle	9025	9025
Oerlikon-B	845	838
Pargesa Hld	1685	1660
Roche Holding B	3625	3580
Sandoz	2010	1990
Schindler	5300	5300
Sulzer	542	542
Surveillance	4300	4300
Swissair	1220	1210
SBC	334	323
Swiss Reinsur	405	397
Swiss Volksbank	1735	1735
Union Bank	3980	3940
Winterthur	4380	4350
Zurich Ins	1940	1940
SBS Index : 651.80		
Previous : 647.80		

Soviets Slow Deliveries of Oil

Hungary, Czechoslovakia and Bulgaria Report Cutbacks

Agence France-Presse

PRAGUE — The Soviet Union has reduced or fallen behind in its deliveries of oil and gas to Czechoslovakia and Hungary, officials said Friday. Bulgaria had already reported that Moscow halved its oil deliveries for January.

The disclosure followed a Hungarian government decision Thursday to suspend all licenses for exports denominated in rubles. Hungarian businesses strongly criticized the move, saying that hundreds of companies would suffer and even risk going out of business.

Hungary said that the suspension of the licenses was aimed at whittling down its 800 million ruble (about $1.3 billion) trade surplus with Comecon. But Hungarian officials added that the entire surplus could have been erased if the Soviets increased oil exports, something they have so far refused to do.

Some observers have said that the disagreement could flare up into one of the first trade wars in the Soviet-led trading bloc.

In recent months, the Kremlin has been shifting investment out of high-cost oil production into consumer goods, so Soviet oil and refined-products exports to the West have already slipped by more than 10 percent.

On Friday, the Foreign Trade Ministry in Prague said that Soviet oil and gas deliveries to Czechoslovakia had been cut by 20 percent this month due to production problems. Moscow has promised to make up the shortage during the year, the CTK News agency cited a senior ministry official as saying.

Czechoslovakia, the second largest importer of Soviet hydrocarbons and their derivatives after East Germany, was to due to receive 16.6 million tons of hydrocarbons this year in return for Czechoslovak manufactured goods.

The Bulgarian trade union newspaper Trud had said on Wednesday that Moscow had halved its oil deliveries to Bulgaria this month, to 500,000 metric tons from a million tons. The reduction forced Bulgaria to buy an emergency supply of 265,000 tons from Iran, and to close temporarily several factories in the north of the country.

In Budapest, a Hungarian trade official said Friday that Moscow had fallen behind its promised levels of oil delivery. The official, Jozsef Timar, declined to give figures, but said in a radio interview that Prague was now seeking supplies from the West and the Middle East.

Hungary imported 6.5 million tons of oil and 5.9 billion cubic meters of gas from the Soviet Union last year.

The evening newspaper Mai Nap quoted Hungarian businesses as criticizing sharply the government's suspension of export licenses.

"The future of our company is at stake," a processed food factory spokesman at Nyiregyhaza in the northeast was quoted as saying after the announcement on Thursday.

"If we cannot deliver our products in the next two to three weeks, I do not know what we will do," the director of the export department said.

"Nowhere in the world do people scrap contracts like this," said the finance director of the Moghurt company, which deals with auto trade with the Soviet Union.

Much trade within Comecon is carried out on a barter basis, with East European countries receiving energy and raw materials from the Soviet Union in return for manufactured products.

Dumez Stake In McAlpine Is Increased

Reuters

LONDON — The British construction company Alfred McAlpine PLC said the French construction company Dumez plans to increase its stake in McAlpine to a maximum of 12 percent, from 4.7 percent, as part of a commercial cooperation agreement.

The companies plan to work together on major construction projects in Britain and abroad. The agreement covers cooperation in minerals projects and development of new business in the United States.

McAlpine said it had invited Jean-Paul Parayre, chairman of Dumez, to join the McAlpine board.

Dumez's associate company Entreprise Jean Lefebvre SA, which specializes in roadworks, is also party to the cooperation agreement.

R.J. McAlpine, chairman and chief executive of Alfred McAlpine, said the agreement would allow the company to pursue developments where contractors take part in the financing.

Air Liberté Threatens To Challenge UTA Deal

Agence France-Presse

PARIS — Air Liberté, the French charter airline, has threatened to ask the European Court of Justice to intervene if the French government does not give it 10 percent of international air rights following Air France's takeover of Union de Transports Aériens.

"Air France can buy everything, but it would be unhealthy if the state allowed it a monopoly of air transport," said Lofti Belhassine, chairman of Air Liberté.

He said Air Liberté would ask the European Commission and the European Court of Justice to intervene if the French government did not give it at least 10 percent of French regular international flights.

The EC Commission has already said it would investigate Air France's agreement to buy 54.58 percent of UTA, which would make the French carrier one of the world's biggest airlines, to determine whether it contravenes European Community regulations on monopolies.

The transaction, announced Jan. 12, will give Air France virtual control of French regular international flights and a large part of the domestic market, with a 70 percent stake in the domestic airline Air Inter, in which both Air France and UTA have holdings.

Mr. Belhassine said that he also feared that Air France could slash prices in the charter sector to put France's remaining independent charter companies out of business. Air France already owns Air Charter and the UTA transaction gives it control of another charter carrier, Aéromaritime.

The Air Liberté chief met with Transport Minister Michel Delebarre on Thursday to discuss the Air France deal.

■ **Loan Set for Amadeus**

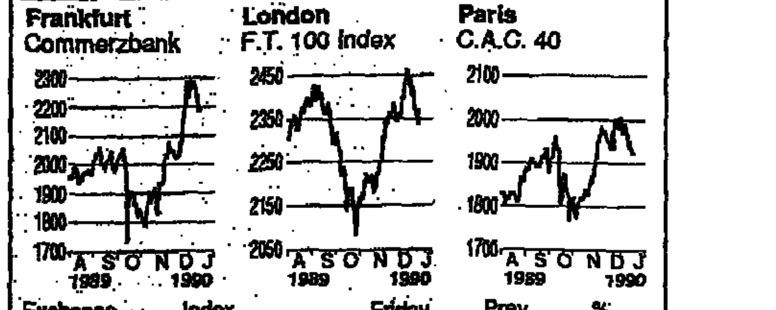
The European Investment Bank announced on Friday a loan of 250 million European Currency Units ($299.1 million) for the Amadeus travel system, Reuters reported from Brussels.

Amadeus, which is jointly owned by Air France, Iberia, Lufthansa and SAS, aims to provide travel and transport agents with a centralized information, reservation and ticket-issuing system for airlines, hotels, car rentals, trains, ferries and tours.

The loan is intended to reduce the start-up costs for the network. It will cover the construction of a large computer center near Munich, a development center in Nice, a marketing center in Madrid and the purchase of computers and software.

Terms of the loan were not disclosed.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS General	113.60	113.20	+0.35
Brussels	Stock Index	6449.04	6456.85	-0.12
Frankfurt	Commerzbank	2188.60	2186.80	+0.08
Frankfurt	DAX	1773.56	1779.17	-0.32
Helsinki	UNITAS	640.00	632.50	+1.19
London	Financial Times 30	1864.40	1864.40	Unch.
London	FT-SE 100	2335.00	2336.90	-0.08
Madrid	General Index	286.13	286.49	-0.13
Milan	MIB	1015	1014	+0.09
Paris	CAC 40	1925.95	1934.72	-0.45
Stockholm	Affaersvaerlden	1231.90	1245.40	-1.08
Zurich	SBS	651.80	647.80	+0.62

Sources: Datastream, AFP — International Herald Tribune

Belgium Offers Shares In New Holding Firm

The Associated Press

BRUSSELS — Belgium's state-owned investment concern, Société Nationale d'Investissement, announced Friday that it had put key assets in a new holding company that will offer nonvoting preferred shares to private investors.

SNI's president, Philippe Wilmes, said the idea was to gain access to capital markets for the new holding company, called Sofinim, and enable private investors to participate in Sofinim profits. The nonvoting shares may eventually be introduced on the Brussels stock exchange, he added.

Sofinim's holdings will include a 2.9 percent stake in Sabena, the Belgian airline, and 3.2 percent of Compagnie Nationale de Portefeuille SA, a leading Belgian investment company.

Terms for the issue of the shares, known as participation certificates, have not yet been yet. An SNI spokeswoman said the banks involved in the issue, led by Banque de Groof SA of Brussels, would begin meetings later this month to work out details.

Sofinim was created last August with an initial capital of 3 billion Belgian francs (84.3 million), and may raise its capital to 8 billion francs over the next five years.

Its assets include stakes in mostly small and medium-sized industrial, transportation, energy and financial concerns in Belgium.

A report by SNI said these assets totaled about 4 billion francs, while the company recorded revenue of about 223 million francs in 1988, the last year for which figures were available.

The SNI report said Sofinim's current intrinsic value is about 3.4 billion francs, or 2,250 francs per share.

Sabena, the flag-carrier, recently sold 20 percent stakes in a new subsidiary to KLM Royal Dutch Airlines and British Airways PLC.

Plessey Mulls Hoskyns Sale

Reuters

LONDON — The British computer-services concern Hoskyns Group PLC said Friday that its majority shareholder, Plessey PLC, would hold talks that might lead to an outside party making an offer for Hoskyns.

Hoskyns's share price rose 70 pence ($1.15), to 343 pence, after the announcement. Analysts' initial forecasts of a bid price for Hoskyns are around 390 pence.

Plessey, which analysts say holds 70 percent of Hoskyns, is a wholly owned subsidiary of GEC Siemens PLC. A spokesman for the parent was not available to explain the decision to open sale talks.

Campeau Woes Prompt First Boston Shifts

By Sarah Bartlett
New York Times Service

NEW YORK — In a move that reflects troubles emanating from its financial exposure to Campeau Corp.'s retailing operations, First Boston Corp. has removed William E. Mayer as its chief executive and named him head of a new merchant-banking subsidiary.

The new subsidiary, called CS First Boston Merchant Bank, will monitor the firm's investment in Federated Department Stores and Allied Stores, which are owned by Campeau, as well as in 29 other companies in which it owns equity stakes or to which it has made temporary bridge loans.

Largely as a result of a bridge loan from which First Boston was unable to disentangle itself, the firm has become the largest unsecured creditor of the Campeau operations, which this week were renamed Federated Stores Inc. On Monday, Federated filed for bankruptcy protection.

The bankruptcy papers list First Boston's exposure to the stores at $526 million.

The firm says that its actual investment is more than $100 million below that, and because it has already taken some losses on its books, the maximum amount it now has at risk is $293 million.

Mr. Mayer will be replaced by John M. Hennessy, chief executive of First Boston's holding company, CS First Boston.

Some former executives with the firm speculated that Mr. Mayer, who is 49, was being made a scapegoat for the firm's problems with the Campeau operations.

A First Boston spokesman said, "There is no question that Campeau needs a lot of attention."

However, the spokesman added, the changes are being made because Mr. Hennessy and Mr. Mayer found that there was no need to have a different chief executive for the holding and the operating subsidiary. "They were falling over each other," the spokesman said.

Former executives doubted that explanation and said the management shuffle went beyond the Campeau situation.

These people said Mr. Hennessy, who became the chief executive of the holding company in October, had been wanting to tighten his grip over the firm for some time.

Neither executive returned a telephone call seeking comment.

RHONE: *Leak Connection Denied*

(Continued from first finance page)

the purchase would not require a new capital infusion from the French state, a measure that analysts say would permit the company to issue additional nonvoting investment certificates. Under current government rules, a state-owned company is not allowed to issue such certificates worth more than 25 percent of total equity. Rhône-Poulenc reached that ceiling some years ago.

Nevertheless, the stock market feared such an operation, and a resulting earnings dilution, causing Rhône-Poulenc's certificate price to drop 4 percent on the Paris Bourse, to 430 francs ($74.40).

Rhône-Poulenc has managed to finance its acquisitions in recent years by employing a variety of creative techniques, such as perpetual bonds.

Terms of the accord call for Rhône-Poulenc to merge its pharmaceuticals units into Rorer, excluding its vaccine businesses. The French company would hold 68 percent of the new company and would have majority representation on Rorer's board, though it would continue under the management of its current chairman, Robert E. Cawthorn.

Rorer shareholders would exchange their holdings for a mix of new shares, cash and so-called contingent-value rights, which provide for additional payments in cash or securities if the company reaches financial goals. The package of cash and securities is worth $73 a share, or about $10 above the stock's trading range this week.

Igor Landau, head of Rhône-Poulenc's health-care business, said the merger with Rorer would permit the company to "simultaneously achieve our two principal strategic objectives" — to distribute its products in the U.S. market and to "reach a critical global size to boost our competitiveness."

Although the merger would create the 10th largest drug company in the world in terms of sales, with total of about $3.2 billion, analysts say its combined product offering still puts it among second-tier companies.

By taking control of Rorer, analysts agree, Rhône-Poulenc will acquire instant access to the U.S. market, long considered a gaping hole in its pharmaceuticals strategy.

Lawrence Malkin in New York contributed to this article.

Clermont Club Is Sold to Bally

Reuters

LONDON — Mecca Leisure Group PLC said Friday it had conditionally agreed upon the sale of the Clermont Club, its casino in Mayfair, London, to Bally Manufacturing Corp. of the United States for £30 million ($49.4 million).

The sale is conditional upon Bally gaining a certificate of consent from the Gaming Board for Great Britain, obtaining the transfer of the Clermont Club's gaming licence and winning the approval of the Nevada Gaming Authorities.

The assets being sold have a book value of £24.5 million. Estimated net profit 1989 was £3 million.

Lyonnais To Operate In Hungary

Agence France-Presse

PARIS — The French bank Crédit Lyonnais is to launch a new company to promote joint ventures with Hungarian partners, the bank's president, Jean-Yves Haberer said Friday.

He also announced that Crédit Lyonnais was opening a representative office in Bucharest, Romania.

Mr. Haberer said Crédit Lyonnais was ready to support French companies wishing to undertake projects in Hungary, noting that "Budapest has the oldest underground rail network in the world and French companies have acknowledged expertise in this type of project."

He said other possible projects in Hungary could include a high-speed train, agricultural complexes and an a tourist project with Club Méditerranée.

Mr. Haberer accompanied President François Mitterrand of France to Hungary for a two-day visit that ended Friday.

Crédit Lyonnais in 1989 bought most of Chase Manhattan Corp.'s Belgian businesses, saying it was part of the bank's expansionist strategy for the post-1992 single West European market.

In 1989, Crédit Lyonnais also bought an almost 30 percent interest in the Italian bank Credito Bergamasco.

GM: *Prescriptions for Change at a Troubled Car Maker*

(Continued from first finance page)

for $700 million and asked him to leave the board. Still, Mr. Perot believes he has a prescription for boosting GM's U.S. fortunes:

"First, you've got to make the rules for success in General Motors the same rules for success in the marketplace," Mr. Perot said. "And the only way to do that is to build the best car in the world.

"Right now at General Motors, the rules for success in the company have nothing to do with building the best car," he said.

Other Perot strategies for GM:

- "Every GMer must understand that there are too many car plants in the world. GM can win and keep its people at work only by being the best."
- "From this point forward, GMers (would) fight in the marketplace, not with one another." He added that "the historic struggle between the financial staff and the car builders will not be tolerated."
- "Fix every single substandard item being sold on existing cars today."

□

Malcolm Forbes, publisher of Forbes magazine. In the eyes of Mr. Forbes, GM has taken far more abuse than it deserves and, if it were left to him, he would continue along the same path chosen by GM's chairman, Mr. Smith:

"The real irony of the movie 'Roger and Me'," which was a satire of Roger Smith, "is that no one in America has exerted more Herculean efforts to get the U.S. auto industry back in high gear than Roger Smith." Mr. Forbes wrote in the current issue of his magazine. "He has revitalized the world's largest business while it's been besieged by lower-waged foreign competition. To make this warm, caring, top-notch CEO the film's villain is the ultimate irony."

□

Theodore Levitt, a marketing specialist, is professor of business at Harvard University and former editor of the Harvard Business Review:

"I'd look seriously at ways that I could break up the company," Mr. Levitt said. "Specifically, I'd spin off the Chevrolet operation. Chevrolet has an enormously wide product line. It's massive in scale.

"The idea is to carve a gazelle out of this elephant," he said. "It makes a lot of sense. The major thing is to create an opportunity for a different type of managerial mentality at GM."

LBOs: *Ascribed by One Expert to High Interest Rates*

(Continued from first finance page)

economists are waiting for econometric models and more rigorous proofs.

According to the Blair thesis, the earlier postwar decades when shareholders, seeking their greatest post-tax returns, would let corporations hold and reinvest their money gave way to the 1980s when shareholders preferred to have corporations disgorge cash, buy back equities and leverage up the value of their assets.

Companies that resisted often became the targets of hostile takeovers whose object was to break up the company, Ms. Blair found.

The high interest rates, she concludes, led corporate executives to "opt for more debt in their capital structure, especially if those high interest rates are not accompanied by rapid growth, technological change or other developments that would make the marginal return on new investment for the firms even higher."

And she sees the corporate restructuring and rush to leverage as another symptom of the shift in the United States economy of the 1980s away from savings and toward debt-financed consumption.

What should policy makers do about this now? Trying to regulate or stifle leveraged buyouts, she believes, might do more harm than good.

In any case, the market is now curbing takeovers by marking down or wiping out the junkier junk bonds, emitting alarms of dangers and sending companies like Federated and Allied into bankruptcy.

The most important way to improve real investment incentives, Ms. Blair suggests, is to lower the real rate of interest.

The best way to get real interest rates down, without igniting inflation or relying on a deep recession, would be to bring down budget deficits and encourage private savings.

NYSE

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
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U-V										
[illegible]										
W										
[illegible]										
X-Y-Z										
[illegible]										

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Country/Currency		12 months + 52 ISSUES	ONE-YEAR SAVINGS	6 months + 26 ISSUES
Austria	A.Sch.	4,400	3,972	2,500
Belgium	B.Fr.	11,000	7,200	6,000
Denmark	D.Kr.	2,700	1,668	1,500
Finland	F.M.	1,760	1,516	970
France	F.F.	1,500	1,412	830
Germany (mail)	D.M.	580	439	320
—*hand delivery	D.M.	758	116	389
Great Britain	£	140	115	77
Greece (mail)	Dr.	33,000	28,880	18,000
—hand delivery Athens	Dr.	41,000	20,880	23,000
Ireland	£Irl.	155	136	85
Italy	Lire	420,000	308,000	231,000
Luxembourg	L.Fr.	11,000	7,200	6,000
Netherlands	Fl.	600	492	340
Norway (airmail)	N.Kr.	2,000	1,640	1,100
—**hand delivery	N.Kr.	2,500	1,140	1,400
Portugal	Esc.	29,000	32,880	16,000
Spain (mail)	Ptas.	32,000	28,060	17,600
—***hand delivery Barcelona, Bilbao, Seville	Ptas.	32,000	28,060	17,600
—***hand delivery Madrid	Ptas.	51,480	—	25,740
Sweden (airmail)	S.Kr.	2,000	1,640	1,100
—**hand delivery	S.Kr.	2,500	1,140	1,400
Switzerland (mail)	S.Fr.	455	491	255
—**hand delivery Bern	S.Fr.	600	346	330
Rest of Europe, North Africa, former French Africa, Middle East	$	470	Varies by country	260
Rest of Africa, Gulf States, Asia	$	620		340
Central/Latin America	$	540		295

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IHT EXTRAS

Full weekend sports results in Monday's IHT

Friday's market closings in Saturday's IHT

NASDAQ

Thursday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
A										
[illegible]										
B-C										
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D-E-F										
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G-H-I										
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J-K-L										
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T-U-V										
[illegible]										
W-X-Y-Z										
[illegible]										

Herald Tribune

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Airlin… [headline cut off]

Reuters

HONG KONG — … have ordered billion… worth of jetliners in r… as they gear up for so… expected in Asia-Pac… the 1990s.

Analysts say thrivin… and a burgeoning mid… an urge to travel are… boom.

The order by Singa… Ltd. for 50 America… announced on Tuesday… by Qantas Airways L… to spend $4.7 billi… doubling its fleet over… years illustrate the tre…

But some analysts… profit margins may be… increased competitio… airlines within the reg… the U.S. aviation gian… by rising costs of labo… salaries and borrowing…

"Demand will con… very strong througho… but at the same time c… to rise," said Greg M… with Hong Kong's Se… Securities Ltd.

Taiwan… Apply… E. Euro… [headline cut off]

Reuters

TAIPEI — Taiw… cided to allow its… seek landing rights… Europe.

The cabinet mad… sion on Thursday.

A spokesman… meant that Taiwan… flag carrier, Chin… Ltd., and the ne… lished Evergreen… Corp. could both se… rights in Eastern E… neither had any pla… at the moment.

China Airlines… rights to fly over… last year.

Also last year,… lowed local shippi… nies to sail directly… Europe from Taiwa…

Since 1979, Taiwa… ed bans on direct… East Germany, Pol… gary, Romania, Cz… kia, Bulgaria and Y… It trades only indi… the Soviet Union an…

Taiwan's trade wi… Europe and the Sov… jumped to more tha… lion during the first… of 1989, up 31 perce… same period in 198…

AM… [cut off]

Thursday…

Tables include the n… the closing on Wall S… late trades elsewhere.

[illegible]

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INTERNATIONAL FUNDS

January 19th 1990

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ABN BANK I.D.86, P.O. Box 669, Amsterdam
(w) ABN-Aandelenfonds FL 78.25
(w) ABN-Beleggingsfds Ned. FL 58.85
(w) Aldollar $ 22.00
(w) Alrento FL 157.50
(w) America-Fund (I.E) $ 160.23
(w) Asian Tigers Fund $ 33.97
(w) Trans Europe Fund FL 82.73
(w) Trans Europe Fund $ 43.63
AIG FUND MANAGEMENT LTD.
(d) AIG Amer. Eq. Trust $ 22.39
AL-MAL BANK LIMITED.
(w) Investment Units $ 106.05
(w) Currency Units $ 109.29
ALPHA ASSET MANAGEMENT LTD.
(m) Alpha Global Fund $ 630.35
(m) Alpha Arbitrage Fund $ 253.93
(m) Alpha Hedge Fund $ 99.67
(w) Nicholas-Applegate Aurelia $ 147.56
BANK JULIUS BAER & CO. Ltd.
(d) Baerbond SF 928.00
(d) Conbar SF 1858.00
(d) Equibaer America $ 1738.00
(d) Equibaer Europe SF 1662.00
(d) Equibaer Pacific SF 1556.00
(d) Stockbar SF 2200.00
(d) SFR-BAER SF 953.00
(d) Swissbar SF 2377.00
BA GATEWAY FUND
(b) Belgium Fixed Income BFr 9,703
(b) Germany Fixed Income DM 99.56
(b) Netherlands Fixed Income FL 99.74
(b) US Dollar Fixed Income US$ 100.38
(b) Japan Equity US$ 96.29
(b) Pacific Equity US$ 101.61
(b) Intl Portfolio 'A' US$ 103.10
(b) Intl Portfolio 'B' ECU 99.67
BAII MULTICURRENCY
(r) Multicurrency US$ $ 1,339.53
(r) Multicurrency Ecu ECU 1,171.55
(r) Multicurrency Yen Y 275,453.00
(r) Multicurrency FFR FF 11,400.30
BNP INTERFUNDS
(w) France Capital FF 11,265.80
(w) Interbond Fund $ 201.85
(w) Interbelgian Cap Sicav FB 50,059.00
(w) Intercash DM N.C.
(w) Intercash ECU 1,330.05
(w) Intercash $ N.C.
(w) Intercash FF 13,946.05
(w) Intercash France Sec. FF 11,965.80
(w) Intercash France Cap. FF 11,259.72
(w) Intercurrency US$ $ 11.2146
(w) Intercurrency DM DM 31.5207
(w) Intercurrency Sterling £ 11.3257
(w) Intercurrency Managed $ 11.0352
(w) Inter Optimum F.B BF 69,260.00
(w) Interequity French Offer $ 16.83
(w) Interequity Pacific Offer $ 22.46
(w) Interequity N. Amer. Offer $ 11.72
(w) Interequity European Class $ 11.40
(w) Interequity Australia Cls. $ 10.42
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 26614
(w) Int'l Equity Fund (Sicav) $ 12.44
(w) Int'l Bond Fund (Sicav) $ 10.87
BANQUE INDOSUEZ
(w) Asian Growth Fund $ 34.40
(w) Asian Income Fund $ 9.40
(m) Dual Futures Fd. Class A Units $ 101.40
(m) Dual Futures Fd. Class B Units $ 101.14
(w) Diverbond SF 78.65
(w) FIF Internat. Switzerland SF 99.12
(w) FIF-Internat. Div.A $ 20.51
(w) FIF-Internat. Div.B $ 21.33
(w) FIF Internat. America $ 16.15
(w) FIF Internat. Pacific $ 49.92
(w) FIF Internat. Europe $ 11.05
(w) FIF Internat. Japan Y 1,358.00
(w) FIF Int. Nat. Res. A $ 12.31
(w) FIF Int. Nat. Res. B $ 12.31
(w) France International FF 99.66
(w) France Blue chips No 1 FF 132,307.25
(m) Galaxy Futures Fd Ltd $ 102.50
(w) Gestion Selective FF 4,555.99
(w) Indosuez Multibonds Div.A $ 130.56
(w) Indosuez Multibonds Div.B $ 250.47
(w) Indosuez Multibonds US$ $ 107.30
(w) Indosuez Multibonds YEN Y 10,063.00
(w) Indosuez Multibonds DM DM 104.64
(w) IPNA-3 $ 1120.00
(w) Malacca Fund $ 15.37
(w) Manila Fund $ 7.36
(w) The Siam Fund $ 25.84
(w) Pacific Gold Fund $ 14.25
BANQUE PRIVEE E. DE ROTHSCHILD
(w) Daiwa Capital E. Fund $ 1050.45
(w) Daiwa LCF Rothschild $ 1051.45
(w) Ecu D'Or ECU 99.35
(w) Hispano Int'l Fund ECU 10.49
(b) Pri-Tech $ 1225.92
(b) Source Sicav $ 11.99
BANQUE E. DE ROTHSCHILD LUX. SA
(b) Cursitor BP Fixed Inc.Fund DM112.42
(b) Cursitor BP General Fund DM135.48
(b) Eagle Fund LF 9810.00
(b) Europe Japan Fund $ 10.48
(b) Governm. Sec. Funds $ 75.03
(w) Leicom $ 2798.96
(b) Opportunities Fund $ 1073.13
(b) Prifirst $ 577.26
(b) Prirga fund DM 53.51
(w) Rente Plus BF 5395.00
(t) Select. Horizon Dev. FF 54513.58
(t) Select. Horizon FF FF 58108.60
(b) Star Conv.Fund FL FL 9731.00
(b) Star Conv.Fund USD $ 102.61
BANQUE SCANDINAVE EN SUISSE-GENEVA
(w) BSS Bond Fund SF 80.58
(w) BSS Intelsec. SF 1770.07
(w) BSS Int'l Bond $ 1.25
(w) BSS Int'l Equity $ 2.35
B.F.A.C.M.
(w) Ecu Multiplacement ECU 1182.55
BROADGATE INTERNATIONAL FUND
(d) $ Money Market $ 12.95
(d) Non-$ Money Market DM 31.19
(d) $ Bond $ 13.48
(d) Non-$ Bond DM 30.03

(d) Global Equity $ 17.50
(d) Global Bond $ 13.85
(d) Global Bond & Equity $ 14.98
(d) Prec. Mets/Min. Secs $ 7.81
B.W MANAGED ASSETS CY.SICAV
(t) Global Bond Fund ECU 10.53
(t) European Securities Fund ECU 13.57
(t) French Securities Fund FF 132.64
(t) North American Secu.Fund $ 11.86
(t) Pacific Basin Secu. Fund $ 9.75
CAISSE CENTRALE DES BANQUES POP.
(d) Fructilux-Obl.FSES FF 8,019.14
(d) Fructilux-Obl.Euro ECU 1,278.85
(d) Fructilux-Act.Fses FF 8,197.69
(d) Fructilux-Act.Euro ECU 1,314.80
(d) Fructilux-Tresorier FF 5,920.32
CALLANDER
(w) Callander Emer. Gr. $ 117.08
(w) Callander F-Asset $ 103.23
(w) Callander F-Austria AS 1,632.54
(w) Callander F-Spanish Ptas 9,399
CAPITAL INTERNATIONAL
(w) Capital Int'l Fund $ 96.86
(w) Capital Italia SA $ 40.76
CCF - GAMMA
(w) CM Inv.Ser.Fds-Actibonds $ 36.82
(w) CM Inv.Ser.Fds-Glbl.Grth. $ 11.38
(w) CM North Amer Grth $ 9.09
(w) Elysees Court Terme FF 59,175.64
(w) Elysees Long Terme FF 54,537.74
(w) Elysees Monetaire FF 61,481.35
(w) Elysees Multibonds Fd £ 514.86
(w) Elysees Multibonds Fd FL 999.67
(w) EMF D-Mark (A&B) DM 993.81
(w) EMF Ecu (A & B) ECU 1,035.85
(w) EMF US Dollar (A & B) $ 1,099.86
(w) EMF Yen (A & B) YEN 98,846.00
(d) Europe Prestige Fund A ECU 11.66
(d) Europe Prestige Fund B ECU 12.27
(w) European Smlr Cos. Fd.A ecu 14.37
(w) European Smlr Comp.Fd.B ecu 14.37
CDC INTERNATIONAL
(w) CFI Court Terme FF 120,368.50
(w) CFI Long Terme FF1110,534.78
CIC GROUP
(d) Oblicic Monetaire FF 11787.31
(d) Oblicic Court Terme FF 11902.34
CITICORP INVESTMENT BANK (Lux.)
POB 1373 Luxembourg Tel. 477.95.71
(d) Citicurrencies USD $ 1343.98
(d) Citicurrencies Managed $ 110.07
(d) Citinvest Ecu Income ECU 1320.09
(d) Citinvest Manag. Growth $ 1330.09
(d) Citi.Manag.Growth Euro . ECU 1064.63
(d) Citinvest Selector $ 923.86
(d) Citinvest Guardian $ $ 1085.49
(d) Citinvest Guard. Euro ECU 1061.42
(d) Citiport N.A Equity $ 142.56
(d) Citiport Jap. Equity Yen 12,058.00
(d) Citiport UK Equity £ 119.74
(d) Citiport S.Asian Eq. $ 137.60
(d) Citiport Cont.Euro. Eq. ECU 145.55
(d) Citiport N.A.S Bond $ 114.01
(d) Citiport Euro Bond ECU 102.73
(d) Citiport AS.Pac.Bd. YEN 10,795.00
CITITRUST
(w) U.S. $ Equities $ 207.65994
(w) U.S. $ Bonds $ 12.37118
(w) U.S. $ Money Market $ 12.91741
(w) Citiland $ 984.98877
(w) Global Equities $ 9.92000
(w) Global Money Market $ 11.95000
(w) Global Bonds $ 11.60000
CODEVALOR SICAV
(w) C.Rendement Fr.Suisse SF 1853.42
(w) C.Rendement US$ $ 1454.92
(w) C.Croissance Dollar $ 1619.73
(w) C.Croissance Fr.Suisse SF 2109.97
COMPASS INTL HOLDINGS Ltd.
POB 455, Jersey 0534 27267
(w) Bond: Dollar Medium Term $ 10.72
(w) Bond: Ecu Multicurrency ecu 10.00
(w) Equity: United Kingdom £ 11.01
CREDIT SUISSE (ISSUE PRICES)
(d) CSF Bonds SF 78.00
(d) Bond Valor Swf SF 94.55
(d) Bond Valor US-DOLLAR $ 122.02
(d) Bond Valor D-mark DM 107.25
(d) Bond Valor Yen Y 10,432.00
(d) Bond Valor £ Sterling £ 90.95
(d) Convert Valor Swf SF 146.20
(d) Convert Valor US-DOLLR $ 177.58
(d) CSF International SF 128.50
(d) Actions Suisses SF 978.00
(d) Europa-Valor SF 233.25
(d) Energie-Valor SF 164.50
(d) Canasec SF 615.00
(d) Ussec SF 741.00
(d) Pacific-Valor SF 201.75
(d) CS Eu. Blue Chips A DM 282.35
(d) CS Eu. Blue Chips B DM 282.35
(d) CS Gold Valor $ 199.40
(d) CS Ecu Bond A ECU 95.06
(d) CS Ecu Bond B ECU 117.68
(d) CS Europa Bond 'A' DM 247.79
(d) CS Europa Bond 'B' DM 247.79
(d) CS Gulden Bond A FL 94.95
(d) CS Gulden Bond B FL 110.87
(d) CS Prime Bond 'A' DM 94.03
(d) CS Prime Bond 'B' DM 99.37
(d) CS Short-T. Bd DM A DM 95.28
(d) CS Short-T. Bd DM B DM 111.97
(d) CS Short-T. Bd $ A $ 97.52
(d) CS Short-T. Bd $ B $ 118.90
(d) CS Money Market Fund $ 1466.39
(d) CS Money Market Fund DM 1262.83
(d) CS Money Market Fund £ 1576.54
(d) CS Money Market Fd Yen Y 118,002.00
(d) CS Tiger Fund $ 541.99
DIT INVESTMENT FFM
+(d) Concentra DM 50.85
+(d) Int'l Rentenfond DM 74.73
DREXEL BURNHAM LAMBERT INC
Winchester House, 77 London Wall
LONDON EC2 (01 920 9797)
(w) Finsbury Group Ltd $ 139.88
(w) Winchester Capital $ 106.21
(w) Winchester Holdings FF 147.62
(w) Winchester Holdings $ 15.36
(w) Winc.Reserv.MultiGvBd. ECU 11.51

(w) Worldwide Securities $ 37.52
(w) Worldwide Special $ 896.06
(m) Winch Fut.Diversified $ 15.10
(m) Winch Fut.Orion Series $ 15.60
(m) Winchester Frontier $ 200.98
(m) Winchester Recovery Ltd $ 74.73
EBC TRUST CO.(JERSEY) LTD.
1-3 Seale St.,St. Helier;0534-36331
EBC AMRO TRADED CURRENCY FUND.
@(d) Inc.: Bid... $ 14.12 Offer... $ 14.553
@(d) Cap.: Bid... $ 21.15 Offer. $ 21.794
INTERNATIONAL INCOME FUND
(d) Short Term 'A' (Accum) $ 1.2398
(d) Short Term 'A' (Distr) $ 0.8055
(d) Short Term 'B' (Accum) $ 1.5057
(d) Short Term 'B' (Distr) $ 1.0731
(w) Long Term $ 32.6232
ELDERS EUROPE - Guernsey - (0481) 26268
(m) Elders Eur.Futures Fund $ 325.94
ELDERS SECURITIES INC.
W. Rotter. (212) 573-0440
(d) EFF $ 225.94
(d) ESI $ 109.95
(d) ESP $ 760.88
(d) EMR $ 104.86
ELDERS SWITZ.(038) 25 17 25
(w) Elders Int Bid SF 101.75 Offer SF 107.75
(w) Elders Aus Bid A$ 90.75 Offer A$ 96.25
EQUIFLEX LIMITED
(w) Europe A FL 11.67*
(w) North America A FL 9.41
(w) UK Equities £ 10.91*
(w) UK Small Co. £ 9.44*
EURO PACIFIC ADVISERS Ltd.
(w) Meteore Y 145,133.00
(w) Pacific Horizon Invt. Fd $ 2287.64
FOREIGN & COLONIAL MGT. LTD.
1, Laurence Pountry Hill, EC4, 01-623-4680
(w) Amer. Smaller Cos.Eqty. Ptfl. $ 10.89
(w) Oriental Equity Ptfl. $ 11.97
(w) European Equity Ptfl. $ 14.29
(w) Nordic Equity Ptfl. $ 14.40
(w) Amer. Mgt. Equity Ptfl. $ 9.40
(d) Western Pac. Equity Ptfl. $ 10.77
(d) Mediterranean Equity Ptfl. $ 9.62
(d) British Equity Portfolio $ 10.11
(d) U.S.$ Sh. Term Asset Ptfl. $ 9.56
(d) Sterling Sh. Term Asset Ptfl. £ 10.22
(d) North American Bond Ptfl. $ 10.11
(d) Multi-Currency Bond Ptfl. $ 10.46
(d) Sterling Bond Portfolio £ 9.76
(d) ECU Bond Portfolio ECU 10.09
FIDELITY INT'L INV. MGMT (LUX.) S.A.
(d) New Europe Fund $ 11.51
(d) Fidelity Conv. Sec. Portf. $ 10.27
FIDELITY POB 670, Hamilton Bermuda
(m) Fid.Amer.Val.II Com. $ 97.02
(m) Fid.Amer.Val.II Cum.Pref $ 101.50
(m) Fid.Amer. Val.III Com. $ 68.45
(m) Fid.Amer.Val.III Cum.Pref $ 100.54
(d) Fidelity Amer. Assets $ 131.56
(d) Fidelity Australia Fund $ 18.06
(d) Fidelity Dir. Svgs.Tr. $ 170.46
(d) Fidelity Pacific Fund $ 389.10
FIDELITY INT'L SERVICE (LUX.)
(d) Balanced Portfolio-hedged $ 10.27
(d) Balanced Portfolio-unhedg $ 11.01
(d) Fidelity Discovery Fund $ 15.92
(d) Fidelity Far East Fund $ 25.47
(d) Fidelity Frontier Fund $ 22.92
(d) Fidelity Global Ind. Fd $ 14.33
(d) Fidelity Global Selct Fd $ 14.57
(d) Fidelity Int'l. Fund $ 15.28
(d) Fidelity Orient Fund $ 111.11
(d) Fidelity Spcl. Growth Fd. $ 41.12
(d) Fidelity World Fund $ 67.61
FIDELITY INT'L (CI) LTD.
FIDELITY PERFORM PORTFOLIOS LTD.
(d) American Portfolio $ 1.02
(d) European Portfolio $ 1.90
(d) Japan Portfolio $ 1.52
(d) South East Asian Portfolio $ 1.17
(d) U.K. Portfolio $ 1.12
(d) Intl. Bond Portfolio $ 0.94*
(d) Sterling Liquidity Ptfl. £ 10.21*
(d) Dollar Liquidity Portfolio $ 10.11*
FINAFUTURES (BVI) Ltd
(w) Portofolio (est.) $ 0.92
FOKUS BANK A.S. 472 428 555
(w) Scanfonds Int'l growth fd $ 1.58
GAIA CURRENCY HEDGE FUNDS
(w) Gaia Hedge I $ $ 99.10 Red $ 98.50
(w) Gaia Hedge II $ $ 161.30 Red $ 156.40
GAM ANLAGEFONDS AG.
POB 164, 8034 Zurich Tel.41-1-2516640
(w) GAM (CH) America SF 1207.00
(w) GAM (CH) Mondial SF 1484.00
(w) GAM (CH) Pacific SF 1822.00
GARTMORE FUND MANAGERS INT.
45,La Motte Street, JERSEY 0534 27301
CAPITAL STRATEGY FD. LTD.
(d) Sterling Deposit £ 1.030
(d) US$ Deposit $ 1.073
(d) DM Deposit DM 5.264
(d) Yen Deposit Y 518.400
(d) Sw. Fr. Deposit SF 5.263
(d) Austr.Dollar Dep. fd A$ 1.150
(d) French Franc Deposit fd FF 10.74
(d) N. American $ 1.70
(d) Japan Y 765.00
(d) Pacific Basin Y 324.00
(d) International growth $ 3.01
(d) British £ 2.43
(d) Sterling Bond £ 1.02
(d) International Bond $ 1.22
(d) Yen Convertible bond Y 3042.80
(d) European Fund DM 5.93
(d) E.C.U. Bond Fund ECU 0.98
(d) Australasian fund £ 0.38
(d) Canadian fund Can$ 0.95
(d) Emerging Markets Fund £ 1.44
(d) Global Resources Fund £ 0.86
GEFINOR FUNDS
London:01-4994171, Geneva:41-22355530
(w) East Investment Fund $ 1087.82

(w) Scottish World Fund £ 218.5748
(w) State St. American $ 308.09
GENERALE BANK
(see also Interselex Group)
(d) Rentinvest $ 26.80
(d) Capital Rentinvest $ 126.33
(d) Rentinbel Distr. LF 9,189.00
(d) Rentinbel Cap. LF 10,524.00
GLOBAL ASSET MANAGEMENT CORP.
11 Athol St.Douglas,I. of Man,44-624-26037
(w) GAM Arbitrage Inc $ 228.68
(w) GAMerica Inc $ 250.60*
(w) GAM Australia Inc. $ 154.89*
(w) GAM Asean Inc $ 173.75*
(w) GAM Bond Fund Inc U.S Ord. $ 209.14*
(w) GAM Bond Fund Inc U.S Spe. $ 126.51*
(w) GAM Boston Inc $ 209.14
(w) GAM Ermitage $ 29.82
(w) GAM Europe Fund $ 101.43
(w) GAM European Inc. $ 116.68
(w) GAM Franc-Val Inc. SF 245.96
(w) GAM France Inc FF 1547.01
(w) GAM Global Fund $ 132.35
(w) GAM High Yield Inc. $ 92.48*
(w) GAM Hong Kong Inc. $ 190.86*
(w) GAM International Inc. $ 172.58
(w) GAM Japan Inc. $ 537.47
(w) GAM Money Mkts. Fund $ 100.00*
(w) GAM Money Mkts. Fund £ 100.54
(w) GAM Money Mkts. Fund SF 101.62
(w) GAM Money Mkts. Fund DM 100.49*
(w) GAM Money Mkts. Fund Y 10,037.00*
(w) GAM Mlti-Mg Fd Inc Gen Eq $ 99.74
(w) GAM Mlti-Mg Fd Inc Alloc. $ 99.96
(w) GAM North America Fund $ 100.00
(w) GAM Pacific Basin Fund $ 139.42
(w) GAM Pacific Inc $ 553.95*
(w) GAM Restr. Fd. Inc. $ 156.00*
(w) GAM Singapore/Malay Inc. $ 270.91
(w) GAM Swiss Fr Spec Bond Fd SF 96.30*
(w) GAM Value Inc. $ 102.85
(w) GAM Worldwide Inc $ 471.32
(w) GAM Tyche S.A. Class A $ 184.27
(w) GAM U.S. Inc. $ 157.14
(w) GAM Whitehorn Fund Inc. $ 142.80
(w) GAM ut Inc. $ 298.59
(w) GSAM Composite Inc. $ 228.98
(w) GAM Bond Fund Inc. SF 85.33*
(w) GAM Bond Fund Inc. £ 97.34*
(w) GAM Bond Fund Inc. DM 90.27*
(w) GAM Bond Fund Inc. Y 11,130.00*
G.T. MANAGEMENT PLC
(d) G.T. ASEAN Fund $ 55.54
(d) G.T. Asia Fund $ 14.73
(d) G.T. Australia Fund $ 30.63
(d) G.T. Berry Japan Fund $ 43.64
(d) G.T. Biotechn./Health Fund $ 10.13
(w) G.T. Bond Fund $ 16.04*
(d) G.T. Britain Fund £ 7.74
(d) G.T. Deutschland Fund $ 13.85
(d) G.T. Dollar Fund $ 20.48
(d) G.T. Europe Fund $ 34.15
(w) G.T. Euro. Small Cos. Fund $ 36.54
(w) G.T.Global Small Cos.Fund $ 16.03
(d) G.T.Global Techno. Fd $ 17.07
(d) G.T. Hong Kong Fund $ 25.03*
(d) G.T. Honshu Pathfinder $ 13.46
(d) G.T. Investment Fund $ 12.05
(w) G.T. Japan OTC Stocks Fund $ 18.74
(w) G.T. Japan Sml Co.Fd $ 14.09
(w) G.T. Korea Fund $ 7.81
(w) G.T. Nat Res. Fd Gold Class $ 7.83
(w) G.T. Newly Ind. Countr. Fd $ 33.42
(d) G.T. Select Dollar Bd Ptf $ 8.82
(d) G.T. Select Int Bd Ptf. $ 9.24
(d) G.T. Select Gilt Ptf. £ 7.92
(r) G.T. Technology Fund $ 36.74
(d) G.T. U.K. Small Companies £ 8.82
(d) G.T. Univ.Growth Fund $ 10.39
(w) G.T. U.S. Small Companies $ 12.91
HILL SAMUEL GLOBAL PORTFOLIO
1A rue Pierre d'Aspelt Luxembourg 1142
(d) H. S. Glbl Ptfl UK Equity £ 9.41
(d) H. S. Glbl Ptfl UK Sm.Co.Eq. £ 9.40
(d) H. S. Glbl Ptfl N.Amer. Eq. $ 9.38
(d) H. S. Glbl Ptfl US Sm.Co.Eq. $ 9.34
(d) H. S. Glbl Ptfl Pac.Bas.Eq. $ 9.34
(d) H. S. Glbl Ptfl Jap. Eq. Y 939.00
(d) H. S. Glbl Ptfl Euro Eq. DM 9.80
(d) H. S. Glbl Ptfl St.Fix.Int. £ 9.39
(d) H. S. Glbl Ptfl Eu.Fix.Int. DM 9.27
(d) H. S. Glbl Ptfl Glbl. Eq. $ 9.44
(d) H. S. Glbl Ptfl Glbl. Bond $ 9.39
(d) H. S. Glbl Ptfl Glbl. Mgd. $ 9.40
HILL SAMUEL INVEST. MGMT. INTL. S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
(d) Crossbow (Far East) SF 17.69
(d) CSF (Balanced) SF 37.47
(d) European Equity Fund DM 18.81
(d) Intnl. Bond Fund $ 12.91
(d) Int. Currency U.S.Manag'd $ 27.35
(d) ITF Fd (Technology) $ 19.67
(d) O'Seas Fd (N. AMERICA) $ 50.63
(d) Int. Currency U.S. $ 26.99
IAM, 2 Bd. Royal LUXEMBOURG
(d) Iam Flagship Fund ECU 95.19
(w) Iam Bonds Fund-France FF 573.74
(w) Iam Bonds Fund-Deutschl DM 216.46
(w) Iam Bonds Fund-Japan Y 18,826.00
(w) Iam Bonds Fund-Switz. FS 208.30
(w) Iam Bonds Fund-U.S.A $ 112.13
(w) Iam Bonds Fund-Europe ECU 113.86
(w) Iam Bonds Fund-Netherl FL 285.81
(w) Iam Europe global ECU 103.23
(w) Iam Europe luxe ECU 103.97
(w) Iam Europe 90/10 ECU 101.40
(w) Iam Europe 1992 ECU 109.71
(w) Iam Europe du Sud ECU 106.99
INTERSELEX GROUP
(d) Int.America Fund $ 16.66
(d) Int.Belga Fund LF 3286.00
(d) Int.Europa Sicav LF 6641.00
(d) Int.Pacific Fund $ 1303.64
(d) Int.World Fund $ 101.97

ISLAMIC MGMT FUND LTD $ 1159.53*
CSFB Fund Mgmt Ltd (0481-713996)
PB122 St. Peter Port,Guernsey
JARDINE FLEMING, GPO Box 11448 Hg Kg
(d) J.F Japan Trust Y 20,856.00
(d) J.F Pacific Sec. Trust $ 29.51
(d) J.F Pacific Income Trust $ 92.97
(d) J.F Hong Kong Trust $ 63.19
(d) J.F European $ 12.34
(d) J.F International $ 14.56
(d) J.F Glb Convertibles Trust $ 12.81
KIDDER,PEABODY & Co.Incorporated.
(b) Chesapeake Fund Ltd. $ 1134.27
(b) Galactica Fund Ltd. $ 919.21
(b) Stonehenge Ltd. $ 1045.12
LLOYDS BANK PLC, POB 438, Geneva 11
Mrs. C. Berteletti(22) 208611/ext. 2222.
+(w) Lloyds Int'l Dollar $ 108.20
+(w) Lloyds Int'l Europe SF 192.90
+(w) Lloyds Int'l Growth SF 224.40
+(w) Lloyds Int'l Income SF 262.50
+(w) Lloyds Int'l N. America $ 161.55
+(w) Lloyds Int'l Pacific SF 272.60
+(w) Lloyds Int'l. Smaller Cos $ 17.53
MAN INTERNATIONAL FUTURES
(m) Alubaf Mint Gtd.Fund.Ltd. $ 98.51
(m) Mint Limited - Ordinary $ 48.96
(m) Mint Limited - Income $ 14.69
(m) Mint Gtd Ltd - Spec Issue $ 28.03
(m) Mint Gtd Ltd - Series A $ 21.64
(m) Mint Gtd Ltd - Nov 1993 $ 19.35
(m) Mint Gtd Ltd - Jan 1994 $ 15.53
(m) Mint Gtd Ltd - Dec 1994 $ 13.67
(m) Mint Gtd Ltd - Aug 1995 $ 11.10
(m) Fbme Mint Gtd Plc $ 117.11
(m) Mint So Res Ltd (BNP) $ 104.78
(m) Newcastle Guaranteed Ltd $ 11.31
MAGNUM FUTURES FUND LTD.
(m) Sterling Class £ 4.81
(m) U.S Dollar Class $ 9.48
MERRILL LYNCH
(d) Dollar Assets Portfolio $ 1.00
(d) First Convertible Sec. Fd $ 11.41
(d) Global equity Portfolio $ 10.86
(d) Iberia portfolio $ 11.34
(d) Multi-Curr. Bond Portfolio $ 14.41
(d) U.S.A Income Portfolio $ 9.44
(d) US Federal Securities $ 9.73
(d) World Nat Res Ptl. Share A $ 11.72
(d) World Nat Res Ptl. Share B $ 11.63
GLOBAL CURRENCY PORTFOLIOS
(d) Australian Dollar Ptl. $ 11.30
(d) Deutschmark Portfolio DM 10.02
(d) Pound Sterling Portfolion £ 10.41
(d) US Dollar Portfolion $ 10.88
(d) Yen Portfolio Y 981.00
MIM BRITANNIA,POB 271,St. Helier, Jersey
(d) Amer. Inc. & Growth $ 1.331
(d) Asia Super Growth Fund $ 14.03
(d) Dollar Man.Curr $ 14.29*
(d) Dollar Man. Port $ 2.29
(d) Gold & Prec. Metals $ 1.247
(d) Gtd. N.W. 1994 $ 10.00
(d) Int.High Income $ 2.444*
(d) Japan Dollar Perf. Fd $ 4.498
(d) Jersey Gilt £ 0.1767
(d) Nippon Warrant Fund $ 20.20
(d) Okasan Global Strat $ 18.18
(d) Pioneer Markets £ 3.161
(d) Sterling Man.Port) £ 2.016
(d) Sterling Man. Curr. £ 17.730
(d) U.K. Growth £ 1.088
NIMARBEN
(w) Class A $ 163.14
NMB BANK,PO 1800,1000 BV Amsterdam.
(w) The Brazil Fund $ 2.77
(w) NMB Dutch Fund FL 40.20
NOMURA INVEST BANKING (M.E) E.C.
(d) Nomura Gulf Fund $ 10.77
NOMURA INTL. (HONG KONG) LTD.
(d) Nomura Jakarta Fund $ 10.79
OBLIFLEX LIMITED
(w) Multicurrency $ 21.41
(w) Dollar Medium Term $ 16.85
(w) Dollar Long Term $ 16.47
(w) Japanese Yen Y 34.42
(w) Pound Sterling £ 15.41
(w) Deutsche Mark DM 12.49
(w) Dutch Florin FL 12.64
(w) Dutch Florin Multi. FL 70.18
(w) HY Euro. Currencies ECU 9.92
(w) HY Euro.Curr.Divi.Pay. ECU 9.97
(w) Swiss Franc SF 10.35
(w) Swiss Franc Divi. paying SF 10.22
(w) Swiss Multicurrency SF 11.74
(w) European Currency ECU 12.70
(w) Convertibles $ 11.70
(w) French Franc FF 100.11
(w) Swiss Multi-dividend SF 9.53
PARIBAS-GROUP
(d) Belux Fund LF 11102.00
(d) Cortexa International $ 123.19
(d) Ecupar ECU 1,381.13
(d) Far East Growth Fund $ 154.91
(d) Luxor $ 9.32
(d) Moneyflow LF 10,090.00
(d) Pareurope Growth $ 24.31
(d) Parinter Fund $ 234.05
(d) Par US Treas. Bond 'CL B' $ 154.36
(d) Europhenix ECU 194.95
(d) Parinter Bond Fund $ 13.90
(d) Paribas-Rente 'A' LF 1,200.00
(d) Paribas-Rente 'B' LF 1,386.00
(d) Obli-Franc FF 1,258.56
(w) Obli-DM 'A' DM 1,104.14
(w) Obli-DM 'B' DM 1,299.05
(w) Obligestion FF 82.90
(w) Obli-Dollar 'A' $ 1,124.64
(w) Obli-Dollar 'B' $ 1,318.31
(w) Obli-Yen 'A' Y 105,356.00
(w) Obli-Yen 'B' Y 115,178.00
(w) Obli-Gulden 'A' FL 956.83
(w) Obli-Gulden 'B' FL 1,095.37
(w) Parsuisse SF 1,496.68
(w) Parjapon Y 3,877.00

PERMAL GROUP
(m) Drakkar Growth $ 2103.02
(m) EuroMir (ECU) Ltd. ECU 1066.06
(m) Media Ltd. $ 1029.36
(m) Nascal Ltd $ 1336.66
(m) Special Opportunities Ltd $ 1665.30
(m) Updyke Ltd $ 273.37
(m) Value N.V. $ 2074.22
PIERSON,HELDRING & PIERSON N.V.
Rokin 55, 1012kk, Amsterdam (20-5211188)
(w) Asia Pac. Growth Fd N.V. $ 42.59
(w) DP Amer. Growth Fd N.V. $ 26.10
(w) DP Energy Resources $ 49.54
(w) Europe Growth Fund N.V. FL 61.45
(w) Japan Diversified Fund $ 57.14
(w) Leveraged Cap Hold $ 327.06
(w) Tokyo Pac. Hold. N.V. $ 279.86
PIONEER GROUP
(d) Pioneer Fund $ 22.50
(d) Pioneer II $ 18.20
PUTNAM
(d) Emerging Hlth Sc. Trust $ 17.41
(d) Putnam Em. Info. Sc. Tr $ 13.70
(d) Putnam Glob. High Growth $ 12.78
(d) Putnam High Inc. GNMA Fd $ 9.58
(d) Putnam Int'l Fund $ 11.98
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
(d) Robeco FL 103.80
(d) Rolinco FL 103.30
(d) Rorento FL 58.60
(d) Rodamco FL 78.50
ROTHSCHILD AST.MGT.
(w) Tokyo Pac. Hold. (Sea) $ 204.22
ROYAL B. CANADA,POB 246,GUERNSEY
+(w) RBC British Fund Ltd. £ 5.79
+(w) RBC Canadian Fund Ltd C$ 14.81
+(w) RBC European Fund $ 13.63*
+(w) RBC Far East&Pacific Fd $ 46.26
+(w) RBC Int'l Capital Fd $ 60.67
+(w) RBC Int'l Bond Fund Ltd. $ 12.76
+(d) RBC Man.Currency Fd $ 38.98
+(w) RBC North Amer. Fd $ 15.66
ROYAL TRUST ASSETMIX FUND
Lux.Tel.:(352)489061
EQUITY FUNDS
(d) Alpha UK £ 1.27
(d) Alpha US$ $ 1.31
(d) Alpha Worldwide SF 5.27
(d) Alpha Japanese Y 1098.00
(d) Alpha Pacific Rim $ 1.35
(d) Alpha European ECU 1.28
(d) Gold Share $ 1.23
BOND FUNDS
(d) Sterling Pound £ 108.31
(d) US$ Bond US$ 110.48
(d) Deutschmark Bond DM 48.90
(d) Alpha Worldwide SF 52.71
RESERVE FUNDS
(d) Sterling Reserve £ 11.652
(d) US$ Reserve $ 10.932
(d) Deutschmark Reserve DM 10.634
SHEARSON LEHMAN HUTTON
(d) Oporto Growth Fund $ 10.25
SKANDINAVISKA ENSKILDA BANKEN
(w) Equity Intl Acc $ 12.53
(w) Equity Intl Inc $ 11.35
(w) Equity Global $ 1.21
(w) Equity Far East $ 2.00
(w) Equity Gold $ 1.03
(w) Equity Japan Y 142.00
(w) Equity Nordic $ 1.43
(w) Equity U.K. £ 1.17
(w) Equity Continental Europe $ 1.34
(w) Equity Mediterranean $ 1.19
(w) Equity North America $ 1.20
(d) Bond DEM DM 0.94
(w) Bond Intl Acc $ 8.26
(w) Bond Intl Inc $ 4.38
(w) Bond Sweden SEK 9.86
(w) Bond Dollar $ 1.02
(w) High Income Acc $ 1.09
(w) High Income Inc $ 0.95
(w) Multicurrency $ 1.17
(d) FRF FF 1.0486
SOCIETE GENERALE GROUP
(w) Sogelux Fund (SF)
(w) SF Bonds A U.S.A $ 11.86
(w) SF Bonds B Germany DM 22.07
(w) SF Bonds C France FF 86.09
(w) SF Bonds D Switz. SF 20.00
(w) SF Bonds E G.B. £ 8.27
(w) SF Bonds F Japan Y 1642.00
(w) SF Bonds G Europe ECU 11.86
(w) SF Bonds H World Wide $ 12.08
(w) SF Bonds J Belgium BF 540.00
(w) SF Eq. K North America $ 12.03
(w) SF Eq. L W. Europe ECU 12.66
(w) SF Eq. M Pacific Basin YEN 1747.00
(w) SF Eq. N France FF 70.00
(w) SF Eq P Growth Countries $ 13.03
(w) SF Equities Q Gold Mines $ 12.72
(w) SF Equities R World W'ide $ 12.55
(w) SF Short Term S France FF 115.82
(w) SF Short Term T Eur. ECU 11.70
SODITIC ASSET MANAGEMENT INC.
(w) SAM Diversified Inc $ 106.00
SVENSKA HANDELSBANKEN S.A.
146 bd de la Petrusse,L-2330 Luxembourg
(b) SHB Bond Fund $ 44.23
(w) Svenska Select.Fd Intl Sh. $ 56.31
(w) Svenska Select.Fd America Sh $ 12.01
(w) Svenska Select.Fd Asia Shares $ 9.98
(w) Svenska Select.Fd Germany DM 10.40
(d) Svenska Sel.Fd Intl Bd.Sh $ 10.09
(d) Svenska Sel.Fd Nordic Shs $ 10.98
(d) Svenska Sel.Fd S/T Ass.Sh $ 10.31
SWISS BANK CORP. (ISSUE PRICES)
(d) AmericaValor SF 444.25
(d) AngloValor £ 104.17
(d) Asia Portfolio $ 639.92
(d) Convert Bond Selection SF 97.39
(d) Dollar Bond Selection $ 139.90
(d) D-Mark Bond Selection DM 113.87

(d) Ecu Bond Selection ECU 105.80
(d) Florin Bond Selection FL 116.45
(d) FranceValor FF 1875.38
(d) GermaniaValor DM 534.23
(d) Gold Portfolio SF 556.29
(d) ItalValor Lit [illegible]
(d) Japan Portfolio SF 389.25
(d) SBC US$ MMF $ 5905.46
(d) SBC 100 Index Fund SF 111.700
(d) SBC Sfr Bond A/B SF 996.57
(d) Sterling Bond Selection £ 107.39
(d) Swiss Foreign Bond Selec. SF 102.17
(d) Swissvalor SF 386.50
(d) Universal Bond Select. SF 74.25
(d) UniversalFund SF 120.55
(d) Yen Bond Selection Y 11,280.00
THORNTON MANAGEMENT LTD.
(d) Thornton Int opps.fund $ 2.15
(d) Pacific Invt. Fd. S.A. $ 11.38
(d) Pac.Invt. Fd. SA DM 11.34
(d) Pac.Invt. Wrnts Fd.S.A. DM 16.19
(d) Pac.Invt. Warrants Fd.S.A. £ 4.38
(d) Thornton Kangaroo Fd Ltd. $ 11.59
(d) Thornton European Fund $ 6.71
(d) Thornton HK & China $ 11.69
(d) Thornton Japan Fund Ltd $ 38.07
(d) Thornton Orient.Inc. Fd Ltd $ 24.14
(w) ThorntonPhil. Redev. Fd $ 47.45
(d) Thornton Tiger Fund Ltd $ 32.49
(d) Thor.Pacific Tech.Fd Ltd $ 18.74
(d) Thor.Ltd. Dragons Fd Ltd $ 24.15
(d) Thor.Golden Opport.Fd $ 7.51
(d) Eastern Crusader Fund $ 18.86
(w) The Global Access Fund $ 9.49
T. Rowe Price Associates Inc.
(m) T. Rowe Price Frontier Ltd. $ 10.34
TYNDALL INT'L GUERNSEY LTD
Tel.0481 27963
(d) Amer Spec Sits $ 44.66
(d) Eurobond $ 28.98
(d) Mortgage C$ 13.73
(d) Overseas $ 29.90
(d) Tiger $ 43.82
(d) High Yield Bond $ 62.80
(d) Marunouchi $ 92.00
(d) Far Eastern $ 619.80
(d) Gilt £ 495.10
(d) Mad Currency-Dollar $ 1.351
(d) Mad Currency-Stlg £ 107.70
(d) 1992 $ 304.40
(d) Wall Street $ 247.40
(d) HI Inc Gilt & Bulldog £ 94.50*
UEBERSEEBANK, ZURICH
(d) B-FUND SF 947.96
(d) M-FUND SF 1089.32
(d) E-FUND SF 575.81
(d) J-FUND SF 443.96
(d) M-Distribution SF 103.11
(d) UBZ Euro-Income Fund SF 12.17
UNION BANK OF SWITZERLAND
(d) Amca American Shrs SF 39.50
(d) Bond-Invest SF 62.50
(d) Brit-Invest Shares SF 764.00
(d) D-Mark-Invest Bds DM 201.30
(d) Dollar-Invest Bds $ 110.30
(d) ESPAC Spanish sh SF 205.50
(d) Eurit SF 251.50
(d) Fonsa Swiss Sh. SF 211.50
(d) Francit Shares SF 231.50
(d) Germac Shares SF 256.00
(d) Globinvest Shares SF 114.00
(d) Gold Invest Shares SF 287.00
(d) Holland-Invest Sh. SF 235.00
(d) Itac Shares SF 223.50
(d) Japan-Invest Sh. SF 1580.50
(d) Sima (stock price) SF 224.00
(d) Skandinavien-Invest SF 289.00
(d) UBS Money Mkt Inv. $ 1018.47
(d) Yen-Invest Bonds YEN 85815.00
UNION INVESTMENT Frankfurt
(d) Unirenta DM 35.70
(d) Unifonds DM 37.50
(d) Unirak DM 84.00
(d) Unizins DM 100.00
THE UNIVERSAL GROUP OF FUNDS
(d) Univers Sav Amer C$ 8.52
(d) Univers Sav Equity C$ 11.97
(d) Univers Sav Global C$ 5.54
(d) Univers Sav Pacific C$ 9.38
(d) Univers Sav Nat. Res C$ 6.10

Other Funds

(b) Abacus Guart.Fd.Mar.'90 $ 9.04
(r) Acticroissance $ 520.83
(d) Actifinance Intl $ 1097.55
(w) Actigestion FF 1211.37
(w) Activest Intl $ 23.09
(w) Amvabel FL 80.30
(w) Aquila International Fund $ 289.70
(b) Arlone $ 3,725.27
(w) Asia Oceania Fund $ 9.99
(m) Atlantic Fund $ 88.07
(w) Atlas Fund SF 121.00
(r) Australia Fund $ 16.75
(w) BDD Invmt Fund-Ecu Bond ECU 5000.00
(d) Berg Norden Sicav $ 151.55
(d) Berg Trust Sicav $ 127.75
(w) Bergen Int'l Fund. $ 19.12
(w) Bever Beleggingen++ $ 25.50
(m) Bonar Currency & Int. $ 87.20
(d) Bondselex-Issue Pr. SF 114.05
(m) J Capel guaranteed Fund $ 10.79
(w) CMI Investment Fund $ 1289.00
(d) Cash Gestion FF 9820.03
(d) CB German Index Fund DM 133.55
(m) Cleveland Offshore Fd. $ 3045
(w) Columbia Securities FL 106.47
(w) Commod. Gtd. Fund/USA $ 4.80
(d) Conqueror Fund Ltd $ 92.12
(w) Convert. Fd. Int'l A Certs $ 19.12
(w) Convert. Fd. Int'l B Certs $ 62.41
(w) Cumber Intl N.V. $ 232.76
(w) Daiwa Japan Fund Y 9182.00
(w) D.G.C. $ 384.92
(w) DIVERSIF. BOND FUND $ 93.67
(d) D-mark-Baer Bond Fd DM 1002.00
(d) Dollar-Baer Bond Fd $ 1146.00
(d) D. Witter Wld Wide Ivt Tst. $ 23.15
(d) Dreyfus America Fund $ 16.80
(d) Dreyfus Fund Int'l. $ 63.07

(w) Dreyfus Intercontinent $ 11.46
(m) Dumenil Arbitrage Fd NV $ 984.12
(d) Emperor Fund Limited $ 87.89
(w) Esprit Sicav ECU 1265.25
(w) Espirito Sto Inv M Sth Eur Fd. $ 11.97
(d) Europe Obligations ECU 73.96
(d) Europe 1992 $ 10.75
(d) Exclusive Advisors Fd Ltd $ 91.04
(m) Fatum Fund $ 1720.09
(w) Fairfield Int'l Ltd. $ 141.65
(w) Fairfield Strat. Ltd. $ 57.10
(w) First Eagle Fund $ 38,153.14
(w) F.I.T. Fund ff FF 189.16
(w) Fonditalia $ 83.75
(d) Fonselex Issue Pr. SF 192.60
(d) Forexfund Limited $ 9.54
(d) Formula Selection Fd. SF 77.19
(d) Frankl-Trust Effekten Fd DM 170.39
(d) Frankl-Trust Interzins DM 39.41
(w) Future Div.Fund $ 25,750.80
(w) George V INV. BOND F. $ 20.56
(m) German Sel. Associates DM 2280.26
(d) Green Line France FF 772.35
(w) Haussmann Hldgs. N.V. $ 289.42
(w) Hestia Funds $ 150.02
(w) Horizon Fund $ 1828.79
(w) Ibex Holdings Ltd. SF 186.58
(w) IFDC Japan Fund YEN 46,083.00
(r) ILA-IGB $ 6.51
(r) ILA-IGS $ 9.97
(m) IncAmerica N.V. $ 14.35
(m) IncAsia N.V. $ 11.52
(w) Interecu Fund 'A' ECU 1030.19
(w) Interecu Fund 'B' ECU 1231.07
(m) Interfoca Fund Ltd. $ 145.02
(d) Interfund SA $ 43.15
(w) Intermarket Fund $ 428.44
(r) Int'l Securities Fund $ 25.47
(w) Intersec SA $ 4097.09
(d) Investo DWS DM 77.35*
(w) Inremet $ 12.07
(r) Italfortune Int'l Fund SA $ 48.09
(m) Japan Selection Asses. Y 11,011.00
(w) Japan Selection Fund $ 222.83
(w) Japan Pacific Fund $ 304.80
(w) Kenmar Intl - B $ 9319.15
(w) Kleinwort Bens. Jap. Fd. $ 277.24
(d) KML-II High Yield 12/01/90 $ 723.39
(w) Korea Growth Trust $ 41.34
(w) LACO International $ 4.93
(w) Leumi Val.Francaises FF 1038.34
(w) Liberty Offshore Fund $ 92.42
(d) Liquibaer $ 1828.00
(m) London Portfolio G'td. I. $ 88.32
(m) London Portfolio G'td. II. $ 9.02
(w) Luxfund $ 115.97
(m) Lvax Sel.Holdings SF 139.93
(m) MCM International Limited $ 137.80
(w) ML Morgans Lv HI Yld.Inv.NV $ 9.10
(d) Mediolanum Sel. Fd. $ 43.67
(d) NCA FUND $ 72.07
(w) Nippon Fund $ 109.00
(m) NMT Asian Sel. Portfolio $ 211.40
(d) NMT Citadel Bond $ 112.49
(m) NMT Nastec Portfolio s/s SF 777.59
(d) NM Inc. & Growth Fund $ 16.46
(d) Nomura-Cap Int Eq Fd $ 14.77
(w) Nordmix Lit 11502.00
(w) Novaeurope ECU 3056.38
(w) NSP F.I.T. $ 286.01
(m) Oppenheimer U.S.Arb. $ 122.57
(m) Overlook Performance $ 1151.23
(d) Pacific Nies Fund $ 10.70
(d) PAM Futures Trad. $ 984.29
(w) Pancurri Inc. $ 150.92
(m) Paragon Fund Limited $
(d) Preferred Capital Fund Lt. $ 85.63
(d) Prosp. I.H.Inc.P.F.12/01/90 $ 7.87
(w) Protected Perfor. Fund $ 0.71
(w) Quantum Fund N.V. $ 15,627.50
(w) Rep.(Guernsey) Dol.Inc.fd $ 9.70
(w) Samurai Portfolio SF 348.10
(d) Sanwa Kle.Spain Fd $ 17.07
(d) Sarakreek Holding n.v.++ $ 30.00
(m) Scimitar Guaranteed $ 8.82
(d) SCI/Tech. SA Luxembourg $ 10.74
(w) SP International S.A. $ 5248.42
(m) SLH Gopr. F.F.J. $ 106.25
(d) Strat Int'l Gold Fund S.A. $ 4.75
(b) Stellux Fund $ 183.24
(w) Sussex Silverman $ 1096.00
(w) Techno Growth Fund SF 65.15
(d) Templeton Glob Inc. $ 9.87*
(m) The Optimum Fund $ 1245.95
(m) The Petrus Fund Ltd. $ 1.13
(m) TIIC(O.T.C) Jap.ld Sicav $ 16.59
(w) Transpacific Fund Y 38623.00
(w) Tudor B.V.I Futures LTD $ 4390.81
(d) Turquoise Fund $ 224.79
(w) Tweedy,Browne n.v.Cl.A $ 3700.96
(w) Tweedy,Browne n.v.Cl.B $ 1883.96
(m) Tweedy,Browne (U.K.) n.v. $ 1465.87
(d) Unico Inv.Fund DM 69.71
(d) Unico Equity Fund DM 63.25
(d) Uni Bond Fund ECU 1524.42
(r) Uni Capital Fund $ 1487.96
(d) Univers Bonds DM 131.99
(w) Vanderbilt Assets $ 17.07
(m) Victor Futures Fund $ 187.50
(d) Victoria Fund $ 8,750.00
(w) Willerbond Capital $ 14.51
(d) World Fund S.A. $ 11.78
(d) World Balanced Fund S.A. $ 12.17
(m) Zweig Int'l Ltd $ S/S 9,252.00

WHATS HAPPENING ON THE LONDON STAGE? READ SHERIDAN MORLEY WEDNESDAY IN THE IHT'S ARTS & LEISURE SECTION

A$ - Australian Dollars; AS - Austria Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SF - Swiss Francs; Y-Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; -@ Offer Price incl. 3% prelim. charge; # - Paris exchange; ++ - Amsterdam exchange; e - misquoted earlier; x-not registered with regulatory authority

Be sure that your fund is listed in this space daily. Telex Simon OSBORN at 613595F for further information.

هكذا من الأصل

Airlines in Asia Set for 1990s Take-off

Reuters

HONG KONG — Asia's airlines have ordered billions of dollars worth of jetliners in recent months as they gear up for soaring growth expected in Asia-Pacific travel in the 1990s.

Analysts say thriving economies and a burgeoning middle class with an urge to travel are behind this boom.

The order by Singapore Airlines Ltd. for 50 American planes announced on Tuesday and the plan by Qantas Airways Ltd. of Australia to spend $4.7 billion in almost doubling its fleet over the next four years illustrate the trend.

But some analysts predict that profit margins may be squeezed by increased competition from new airlines within the region and from the U.S. aviation giants, as well as by rising costs of labor, airport facilities and borrowings.

"Demand will continue to be very strong throughout the 1990s but at the same time costs are going to rise," said Greg Miller, analyst with Hong Kong's Sun Hung Kai Securities Ltd.

The market's consensus is that the number of international airline passengers traveling within the region will grow by 8 to 10 percent a year over the next decade, about twice the rate expected in Europe and North America, Mr. Miller said.

The surge in Japanese tourists traveling within the region will remain a key factor, said John Mulcahy, research director with the Peregrine Brokerage in Hong Kong.

A burgeoning middle class with an urge to travel points to soaring growth.

But he also sees the "travel bug" catching on among the newly well-off residents of Taiwan, South Korea, Thailand and Malaysia.

"Asia is increasingly becoming its own market," he said. "As a result, business travellers are moving around the region with a great deal more frequency."

Best placed to benefit from the region's growth are likely to be Cathay Pacific Airways Ltd. of Hong Kong, Thai Airways International and Singapore Airlines Ltd, said John King of Avmark, an Australian aviation consultancy.

The Japanese airlines, Japan Air Lines Co. and All Nippon Airways Co., are also picked as two of the region's strongest.

Singapore Airlines is seen benefiting from its recent alliances with Swissair and Delta Air Lines Inc. of the United States.

There is a trend towards this kind of global link-up. When New Zealand's flag carrier Air New Zealand Ltd. was privatized last year, Qantas took a 20 percent stake and JAL and American Airlines of AMR Corp bought 7.5 percent each.

But analysts do not expect mergers between flag carriers because of the importance of a national airline.

The market is not without problems. In the last year a number of airlines have suffered reverses due to difficulties ranging from political unrest to strikes and accidents.

In Australia, Qantas has been hit by a domestic pilots' dispute which has hobbled the tourism industry. Korean Air Lines Co. has to face competition from a new carrier. On Jan. 10, Asiana, a South Korean airline, launched its first international service with a flight from Seoul to Tokyo.

Taiwan's flag carrier, China Airlines, is facing future competition from a new venture, Evergreen Airways Corp., which expects to start international service in 1991.

The new Asian entrants are more of a threat to regional carriers than are the U.S. airlines, which have to negotiate improved bilateral agreements to increase their presence, said Seow Suan, research manager at South China Brokerage Research.

CITIC Seeks to Build Listed Conglomerate

Reuters

HONG KONG — The planned purchase by China's main overseas investment arm, CITIC, of Tylfull Investment Co. in Hong Kong is the first step toward creation of a diversified, publicly listed conglomerate to hold CITIC's investments, an official said Friday.

Larry Yung, managing director of Hong Kong operations for the China International Trust & Investment Corp., said CITIC would transfer major investments to Tylfull with an aim toward a listing on the stock exchange.

"I won't be satisfied with Tylfull in its current shape," said Mr. Yung. "I hope it will become a conglomerate with major investments in local utilities companies."

CITIC's other investments in Hong Kong and China could also be injected into Tylfull. Mr. Yung cited the power plants in Jiangsu and Henan in China, and CITIC Shipping Co. in Hong Kong.

Stock analysts said that if CITIC injected all its investments into Tylfull, it would enlarge Tylfull's assets to about 20 billion Hong Kong dollars ($2.56 billion).

CITIC has a number of investments in Hong Kong.

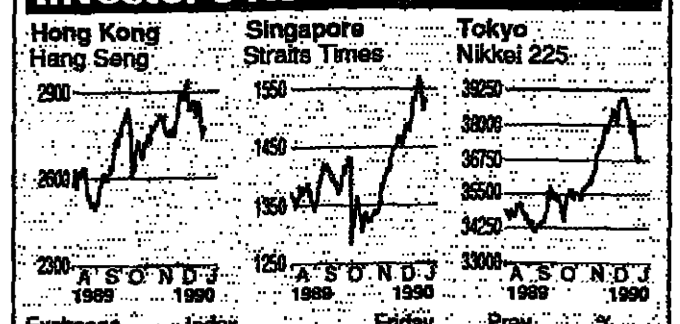
These include a 12.5 percent interest in the local flag-carrier Cathay Pacific Airways Ltd., a 23.75 percent holding in the newly built Eastern Cross-Harbor Tunnel and a 38 percent stake in Hong Kong Dragon Airlines Ltd.

CITIC is also negotiating with Cable & Wireless PLC of Britain to buy a 20 percent share in Hongkong Telecommunications Ltd., which would also be put into Tylfull, Mr. Yung said.

■ **No Cathay Merger Seen**

A leading Chinese official said Dragonair and its rival, Cathay Pacific Airways, were unlikely to merge, Reuters reported from Beijing. Wei Mingyi, the new president of CITIC, said he did not think the airlines could merge easily.

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	2776.29	2771.67	+0.17
Singapore	Straits Times	1527.21	1532.82	-0.37
Sydney	All Ordinaries	1673.90	1677.70	-0.23
Tokyo	Nikkei 225	36836.54	36729.46	+0.29
Kuala Lumpur	Composite	574.72	574.09	+0.11
Bangkok	Book Club	759.60	754.82	+0.63
Seoul	Composite Stock	868.20	874.81	-0.76
Taipei	Weighted Price	11422.51	11153.05	+2.42
Manila	Composite	1080.35	1059.25	+1.99
New Zealand	Barclays	1977.80	1976.71	+0.06
Bombay	National Index	394.58	407.01	-3.05

Sources: Datastream, Reuters, AFP — International Herald Tribune

Taiwanese Apply to E. Europe

Reuters

TAIPEI — Taiwan has decided to allow its airlines to seek landing rights in Eastern Europe.

The cabinet made the decision on Thursday.

A spokesman said this meant that Taiwan's national flag carrier, China Airlines Ltd., and the newly established Evergreen Airways Corp. could both seek landing rights in Eastern Europe, but neither had any plans to do so at the moment.

China Airlines was given rights to fly over Yugoslavia last year.

Also last year, Taiwan allowed local shipping companies to sail directly to Eastern Europe from Taiwan.

Since 1979, Taiwan has lifted bans on direct trade with East Germany, Poland, Hungary, Romania, Czechoslovakia, Bulgaria and Yugoslavia. It trades only indirectly with the Soviet Union and Albania.

Taiwan's trade with Eastern Europe and the Soviet Union jumped to more than $500 million during the first 11 months of 1989, up 31 percent over the same period in 1988.

News Corp. Shares Seen Declining

Reuters

SYDNEY — News Corp.'s shares may have further to fall after losing 2.30 Australian dollars ($1.825) over the past two weeks, analysts said on Friday.

The shares closed at 12.75 dollars, after falling as low as 12.60 dollars during the day's trading. On Jan. 5, they reached a high of 14.90 dollars.

The fall was sparked by pessimism about half-year earnings due next month, which are expected to be dragged down by heavy interest payments, flat advertising revenues and a cash drain from the Sky TV television network in Britain.

"It's a very volatile stock," said Wilson Lee of A.C. Goode & Co. "I'd say ahead of the half-year result there won't be a major recovery, and I wouldn't be surprised to see it drift down to 12 dollars."

Analysts predict that six-month earnings will be sliced roughly in half, to between 120 million and 160 million dollars, compared with 260.34 million a year earlier.

News Corp. earnings depend heavily on advertising revenue, which quickly reflects any economic slowdown, Mr. Lee said.

"Advertising revenue in the U.K. is not growing quite as strongly, in Australia there's been a marked slowdown and growth has started to slow in the U.S.," he said.

George Sutton of BZW Australia said that any weakening in the economy would hurt share prices and would drag News Corp. shares lower.

Mr. Lee estimates that News Corp. debt has grown to around 8.5 billion dollars from 7.8 billion dollars at the end of the 1989 financial year, which ended June 30. That is likely to lift interest costs from 354.48 million dollars in the first half of financial 1989.

In addition, the company's 50 percent-owned Ansett Airlines Ltd., which sliced 40 million dollars from News Corp.'s earnings in the first three months, could further reduce earnings as it suffers from an Australian pilots' dispute, said Cass O'Connor of Bain & Co.

DFC Breakup Called Unlikely

Reuters

WELLINGTON — The statutory managers of the collapsed investment bank DFC New Zealand Ltd. said Friday that liquidation of the company was unlikely and they were recommending restructuring.

The statement followed a meeting between the managers and DFC's advisory committee. One of the managers, Tom Davies, said, "The chances of it being liquidated are remote."

The Reserve Bank placed DFC under statutory management, a form of receivership, last October.

Hong Kong Recommends Allowing Stock Buybacks

Reuters

HONG KONG — The Hong Kong Stock Exchange and the Securities and Futures Commission recommended in a document on Friday that the Companies Ordinance be amended to allow firms listed in Hong Kong to purchase their own shares.

The Companies Ordinance currently prohibits listed companies that are incorporated here from buying their own shares. Listed firms incorporated overseas are also prevented from buying back their own shares by a temporary restriction introduced last June.

The consultation document said that to protect creditors, shares should only be purchased out of distributable profits and they should be treated as authorized but unissued capital.

Any company buying back its shares would have to notify the Registrar of Companies and seek shareholder approval. The document recommended shares be bought back either through a general offer or through purchases on the stock exchange.

The exchange and the government watchdog said they would consider revising related rules.

Malaysia Plans Futures Market

Agence France-Presse

KUALA LUMPUR — Bank Negara, Malaysia's central bank, has moved toward establishment of a financial-futures market to provide a hedging medium for interest-rate changes, Bernama news agency said Friday.

The futures market is one of several changes aimed at giving the financial system flexibility to respond to changes in the economic structure, Bernama quoted Bank Negara's governor, Jaffar Hussein, as saying.

Mr. Jaffar also said that a credit-rating agency would be set up in June to help development of a broader corporate bond market.

Pakistani Banks Face Competition

Reuters

KARACHI — Foreign banks in Pakistan pose a growing challenge to the country's nationalized institutions, local bankers said Friday.

Pretax profits of the 19 foreign banks in Pakistan rose 30 percent, to 1.12 billion rupees ($52.7 million) in 1988, said Syed Mahdi Mustafa, an executive vice-president of the National Bank.

By comparison, pretax profits at Pakistan's five nationalized commercial banks rose 3 percent.

South Korea's Roaming Builders Seek Lift in Gulf and Eastern Europe

The Associated Press

SEOUL — South Korea's overseas construction industry, once the country's pride, is hoping new markets in the Middle East and Eastern Europe will help it recover from a long slump.

South Korean contractors are eyeing postwar reconstruction projects in Iran and Iraq, expanding business in Libya and starting projects in the Soviet Union and Eastern Europe.

"Finally, we seem to be coming out of a long tunnel of recession," said Choi Jae Yol, a government economic researcher, referring to a surge in South Korean construction contracts overseas.

In the past two decades, South Korean contractors have won $90 billion-worth of contracts overseas, earning valuable foreign currency needed for the country's economic development. But in recent years, the country's overseas construction slumped, with its volume of contracts falling from a record high of $13.7 billion in 1981 to $1.6 billion in 1988.

Volume began to pick up last year, reaching $2.4 billion, and officials expect business in 1990 to top $7.7 billion, some of it in socialist and communist nations.

South Koreans are expanding their business from labor-intensive civil engineering to technology-oriented projects such as power plants, but they still rely heavily on cheap labor to stay competitive. They hire cheap labor from Bangladesh, Thailand, the Philippines and other developing Asian nations. At the end of 1989, 42,000 foreigners were on South Korean payrolls abroad, compared with 24,000 Koreans.

Officials say Libya will emerge as South Korea's largest market in 1990, with $5.7 billion in contracts, followed by Saudi Arabia with $820 million, Iran with $422 million and Southeast Asia with $477 million.

Last September, Libya picked Dong-Ah Construction Co. of Seoul as a prime contractor for a $5.3 billion water project. A formal contract for the project, the largest awarded a South Korean firm, will be signed this year.

South Korean companies received nearly 80 percent of their overseas contracts in the Middle East in the past, but Saudi Arabia and other Arab nations scaled down development revenues as oil prices dropped.

Mr. Choi, who works for the government-controlled Overseas Construction Association, said the recovery pace of the foreign construction business depends on the ability to snare multibillion-dollar rehabilitation projects in Iran and Iraq.

South Korea is one of the few countries able to do business with both Iran and Iraq.

South Korea has opened full diplomtic relations with Hungary, Poland, Yugoslavia and Algeria, and established de facto consular ties with the Soviet Union.

The Daewoo Group, one of the largest South Korean conglomerates, is pushing hotel projects in Budapest and Moscow.

AMEX

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

SPORTS

McEnroe Finds Old Formula For Winning, Minus Temper

The Associated Press

MELBOURNE — John McEnroe, keeping his cool despite an unruly crowd and a baking sun, is giving the Australian Open some of its classiest tennis.

McEnroe sparked memories of his youth and hopes of an eighth *Grand Slam triumph* Friday with a 6-3, 6-2, 6-2 victory over another former Stanford University star, Dan Goldie.

The only thing missing was McEnroe's infamous temper as he moved into the fourth round along *with defending champion Ivan* Lendl, Yannick Noah and 18-year-old American upstart Pete Sampras.

The defending women's champion, Steffi Graf, also reached the fourth round with last year's runner-up, Helena Sukova, Patty Fendick of the United States and Kimiko Date of Japan, who beat Pam Shriver.

Not even hecklers and chatty fans in the Australian Open record crowd of 21,028 could ruffle McEnroe, who displayed his full repertoire of shots and bounced around the court as if he were 21 instead of a month shy of 31.

"I feel like I'm controlling play, that's the main thing," said McEnroe, who has not dropped a set in three matches or given up more than three games in any set. "In the majors in the last few years, I've sort of gone out there flat — that's *suicide*."

McEnroe is easily in his best shape since winning his last Grand Slam titles, the U.S. Open and Wimbledon, in 1984. He's hoping to combine his old-time savvy with his new-found desire and fitness.

"*If I can just get to that point* where I feel comfortable with myself physically . . . I feel like then all the other things just come out," McEnroe said. "They just sort of come out like sweat on your shirt . . . You don't have to think about it *too much*."

McEnroe won the first four games against Goldie, then was broken for the only time in the match. After losing a love game, McEnroe held his next two services.

The noise from the crowd bothered both players, but McEnroe thought it might have annoyed Goldie more.

"It affects you more when you're losing," McEnroe said. "I just tried telling myself it was getting him angry also. I think he started pressing more and more, and he just made too many unforced errors."

McEnroe took a 40-0 lead on a *backhand volley in the sixth game* of the second set, then Goldie took the next four points and moved to break-point on a McEnroe double fault.

McEnroe only briefly questioned the fault call, but the crowd got on him immediately, one heckler baiting him with a cry of "Prima donna . . . come on, play tennis."

McEnroe quietly resumed play.

When McEnroe later complained, correctly and mildly, about a press photographer standing too close to the court, a fan yelled "Come on, Johnny be good."

Still, McEnroe kept his temper in control.

"It's not the sort of situation where you have energy to burn in this weather," McEnroe said. "The heat can catch up to you at times."

Lendl kicked himself for his mistakes and five service breaks in the second and third sets, but settled down for a 6-4, 3-6, 6-4, 6-1 victory over Karel Novacek of Czechoslovakia.

"I'm not pleased," Lendl said. "I think that he played well and I didn't. My timing is off."

By the fourth set, though, Lendl said Novacek was "tired physically and broken down mentally."

Sampras beat Todd Woodbridge of Australia, 7-5, 6-4, 6-2, and next *meets Noah, who beat Gilad* Bloom of Israel, 6-3, 6-3, 6-3.

Date, who stands just 5-foot-4 (1.6 meters) — a full eight inches shorter than Shriver, was much quicker to the net and less error-prone as she upset the 11th-seeded American, 6-4, 6-3.

"I was just making so many unforced errors, two or three a game, *and you can't do that against these* players," Shriver said. "She served and volleyed more than I expected, and that caught me off guard."

Shriver, 27 and in her 13th year as a professional, was asked where she goes from here after losing to an unseeded young player.

"To the Barrier Reef," she said, denying once again that she is *thinking of retirement but looking* forward to a break from the game.

Graf hit her head with her racket and survived 39 errors while the "new" Steffi Graf, teenager Anke Huber, succumbed to a twisted ankle.

Graf, the two-time defending women's champion, clutched her head several times after accidentally hitting herself with the most powerful forehand in women's tennis.

Graf recovered from a 1-3 deficit in the first set to win the next four games and beat Leila Meskhi of the Soviet Union, 6-4, 6-1.

"I hit myself quite hard," Graf said. "Maybe it woke me up."

Graf praised Meskhi, saying the 22-year-old is "getting tougher and tougher. You shouldn't underestimate her."

Huber, a 15-year-old West German showing much of the promise Graf did at the same age, played a tough match before falling to 13th-seeded Raffaella Reggi of Italy, 7-5, 4-6, 6-4.

Ironically, Graf also was a third-round loser at 15 in the Australian Open.

Huber turned her right ankle when she crossed her feet reaching for a backhand during her service at 15-15 in the ninth game of the third set.

She fell down, then limped to her chair, sprayed some pain-killer on her foot and returned to the court.

AUSTRALIAN OPEN

AP

Kimiko Date of Japan can smile now that she has notched an upset victory over Pam Shriver.

Becker Says He'd Take Steroids to Stay on Top

Reuters

BONN — Boris Becker says he would be prepared to take performance-enhancing drugs if other top tennis players took them and if doping was necessary to stay at the top.

The Wimbledon champion and second-ranked player in the world, currently competing in the Australian Open in Melbourne, *said in an interview with the West German* magazine Sports that, while tennis was clean, he understood why many athletes in other sports resorted to doping.

"If Lendl kept beating me because he was taking steroids," Becker was quoted as saying, "I would take them too, I mean that."

"I would try to make sure we were competing on an equal basis. That's what it's all about. Otherwise I would just pack it all in straight away."

Becker, 22, also said he felt restricted by the commercial pressures of advertising contracts and that it was unlikely he would still be playing at the age of 25.

"Eighteen months ago I firmly believed that I could play at least another five years," he said. "But now I am sure that I will not be playing that long."

"My goal is one day to be totally independent. Completely free from all contracts and responsibilities that I must now carry out," he added.

Becker, whose statements on drug use are likely to disappoint officials and athletes trying to rid their sports of doping, said drugs were not a problem in tennis because players need a variety of qualities, including strength, *stamina, speed and mobility*.

"There would be doping perhaps if you could take something for your mental strength," the West German said. "Something that made you harder. When it's 30-40 and second service, it's about being mentally fitter than your opponent, not physically. There is no drug for that."

Becker said at least 90 percent of the many track and field athletes he knows took drugs *and he understood why*.

"We live in 1990, and every sport is all about money — that is a fact," he told the magazine. "Everyone knows that if you become Olympic champion once, then you are made financially. Your body and health come, if at all, in fourth place."

Becker, who is regarded as a hero by youngsters in West Germany, said clean sport was just fiction.

He said he was skeptical that random dope testing in training would free sports from doping.

"What would happen to the Olympic Games if there were suddenly no more world records?" he said. "What would happen if the American athletes did not win? If they didn't win, no one in the U.S. would care about the *Games*."

". . . The U.S. television stations that pay so much for the show would then be off like a shot. And the International Olympic Committee does not want that and that is why in the future there will be no very strict doping controls."

Becker said it was sad that sport now was all about money. "It is sad because people get left by the wayside in this circus," he said.

Stephen Holland/The Associated Press

Anke Huber stumbled and twisted her ankle in the third set, then tumbled out of contention by losing to 13th-seeded Raffaella Reggi.

Pelé on a Star Search to Boost Soccer Popularity in U.S.

Reuters

MILAN — Brazil's greatest soccer player, Pelé, wants to woo Napoli star Careca to the United *States to revive public interest in* the sport before the 1994 World Cup finals there, an Italian newspaper said Friday.

Gazzetta dello Sport, the top sports paper in Italy, said Pelé had been asked by his employers, Warner Bros., one of the sponsors of the finals, to start recruiting stars to play in the United States as soon *as possible*.

Careca, a leading striker on the Brazilian national team, is at the *top of Pelé's shopping list*.

Warner Bros. had asked Pelé to bring European and Latin American stars to play in the United States in an effort to stage a soccer revival, the newspaper said.

The organizers of the 1994 finals have said the biggest problem they face is rekindling the interest of a North American public addicted to baseball, basketball, ice hockey and football.

The newspaper said Pelé would be able to offer Careca at least three times his present annual salary, estimated at a thousand million lire ($790,000) plus bonuses.

A Napoli spokesman said he was unaware of Pelé's interest in Careca, but in any case he was contracted to remain at Napoli until 1993.

SIDELINES

Ovett Vindicated

LONDON (Reuters) — Olympic gold medalist Steve Ovett was offered money to run against premier miler Sebastian Coe at the British Amateur Athletic Association championships last August, an independent inquiry has concluded.

The inquiry was ordered after a claim by Ovett that he had been offered money by Andy Norman, director of British track promotions, to run in the 1,500 meter event when Coe, the winner, had not been offered money.

The inquiry concluded that Norman could not be positively identified as the voice on the phone offering money.

Cricket Protest

JOHANNESBURG (AP) — Riot police with attack dogs beat and dispersed scores of anti-apartheid protesters who demonstrated Friday against an English cricket *team defying a ban on sports ties* with South Africa.

Dozens of police, wielding batons and spraying tear gas, charged into about 100 mostly black protesters who tried to enter the international terminal at Jan Smuts Airport to protest the arrival of the English team.

Several protesters were led away with blood pouring from head cuts and other wounds, but no injury toll was released. A senior police officer said an unspecified number of people had been arrested.

For the Record

Sugar Ray Leonard has relinquished the World Boxing Council super middleweight title. Leonard *defended the title with a unanimous* decision over Roberto Duran on Dec. 7. *(AP)*

European challengers for the America's Cup have set up their own association to build up the continent's challenge for the yachting event. Meeting in Milan, Italian industrialist Raul Gardini was elected chairman of the European America's Cup Class Association, which brings together all 11 European challengers for the next competition. *(AFP)*

Quotable

● **Troy Aikman**, quarterback of the Dallas Cowboys, after a 1-15 season: "It was an embarrassing and humbling season. We'll work as hard as we can to see it doesn't happen again." *(AP)*

BOOKS

HOW MANY WORDS DO YOU WANT?
An Insider's Story of Print and Television Journalism

By Leslie Midgley. Illustrated. 344 pages. $19.95. Birch Lane Press, 600 Madison Avenue, New York, N.Y. 10022.

RIGHT PLACES, RIGHT TIMES:
Forty Years in Journalism Not Counting My Paper Route

By Hedley Donovan. Illustrated. 463 pages. $27.95. Henry Holt, 115 West 18th Street, New York N. Y. 10011.

Reviewed by Herbert Mitgang

THE independent memoirs of Leslie Midgley and Hedley Donovan — seasoned journalists who played central roles in what people read or saw in the last half-century — illustrate the great changes that have occurred, not always for the better, in newspapers, magazines and broadcasting in the United States.

For at the end of his lively and informal autobiography, Midgley, calling himself "an old rewrite man" — though he was a major producer of news broadcasts and documentaries for CBS and NBC — concludes that news programs offered by the three large commercial networks "are not getting better in editorial quality, despite dazzling technical advances."

And in an epilogue, Donovan, Henry Luce's successor as editor in chief of Time Inc., deplores last year's merger of the magazine empire with Warner Communications: "And week by week the 'old' Time Inc. was disappearing, its magazines and books to become, at best, an important sideline in an entertainment company. Would Time Inc. journalism still flourish? My constitutional optimism was being sorely tried."

Midgley's career embraced the era of the itinerant journalist who could go from town to town or from one newspaper to another in the same big city to land a job. He makes it all sound like fun. After early stints on papers in Salt Lake City, Denver, Louisville, Washington and Chicago, one day in 1940 he hopped the 20th Century Limited to New York.

The title of his book, "How Many Words Do You Want?," derives from his first news story as a rewrite man on The World-Telegram when he displayed his professionalism to the city editor by asking him: "How long do you want this story? And what do you want it to say?" That didn't mean slanting a story; in verbal shorthand, it meant the length desired and the points to be covered.

He has a way with a good story, especially when recalling his nights holding up the bar with such writing and drawing pals as John Lardner, Walt Kelly, A.J. Liebling, Wolcott Gibbs and James Thurber at the Herald Tribune hangout, Bleeck's Artists & Writers Restaurant.

Hedley Donovan, a onetime Washington Post reporter, joined Fortune magazine as a writer after World War II and moved up to the top editorial post at Time Inc. between 1964 and 1979. As excerpts from his magazine editorials and memos to the staff indicate, his polished language, caution and cheerleader optimism coincided with the American Century philosophy of Henry R. Luce, *the polemicist with missionary zeal who* founded the magazines.

Donovan was no old rewrite man; he brought the credentials of a Rhodes scholar to journalism. His memoir offers a topside view of "the mysteries of managing those Time Inc. editorial people, members of a difficult and glorious breed, the intellectuals."

The most revealing parts of Donovan's book *concern Time and Life's position* on the Vietnam War. At the beginning he (and his magazines) bought and sold the hawkish domino theory.

By the time President Richard M. Nixon and Secretary of State Henry A. Kissinger had widened the war and the casualties had mounted, he was firmly opposed to it. This book is notable for Donovan's modesty and self-criticism and for some of its tales of Time Inc.

Herbert Mitgang is on the staff of The New York Times.

BRIDGE

By Alan Truscott

THE New Jersey Bridge League lost one of its leading players and most colorful personalities when Frank Burstein of Springfield, New Jersey, died Friday at the age of 56 after heart surgery. Burstein had one National victory, in the Men's Swiss Teams in 1975, but most of his successes came at the local level. A month before his death he won the last event in which he was able to play, a sectional Swiss Teams in Chatham, New Jersey. This enabled him to become the 1989 New Jersey Player of the Year, a title he won six times in all, a record. On the diagrammed deal from the Chatham event he sat West, defending four spades. He took two diamond winners and passed to reflect. He knew that his partner had begun with a singleton spade and three diamonds headed by the jack. He could hardly have the heart ace, for in that case he would have responded to one diamond. He therefore, made a fine shift to the club ten, forcing South to make and immediate decision. There was much to recommend a finesse, for it was likely to win. But South put up the club ace and the contract failed when the spade queen did not fall and an attempted squeeze in hearts and clubs also failed: West guarded the clubs and East the hearts. In the replay the contracxt was reached but West led three rounds of diamonds. South ruffed, and when the spade queen did not break and there was no miracle in hearts he fell back on the club finesse to make his game.

NORTH
♠ 8 6 2
♡ K 10 5 3
◇ 10 8 7
♣ A K J

WEST (D)
♠ Q 5 3
♡ J 7
◇ A K Q 9 3
♣ Q 10 2

EAST
♠ 4
♡ Q 8 2 ◇ 3 5 2
♣ 9 8 6 5 4 3

SOUTH
♠ A K J 10 9 7
♡ A 9 6 4
◇ 6 4
♣ 7

Neither side was vulnerable. The bidding:

West	North	East	South
1 ♡	Pass	Pass	2 ♠
Pass	4 ♠	Pass	Pass
Pass			

West led the diamond ace.

PEANUTS

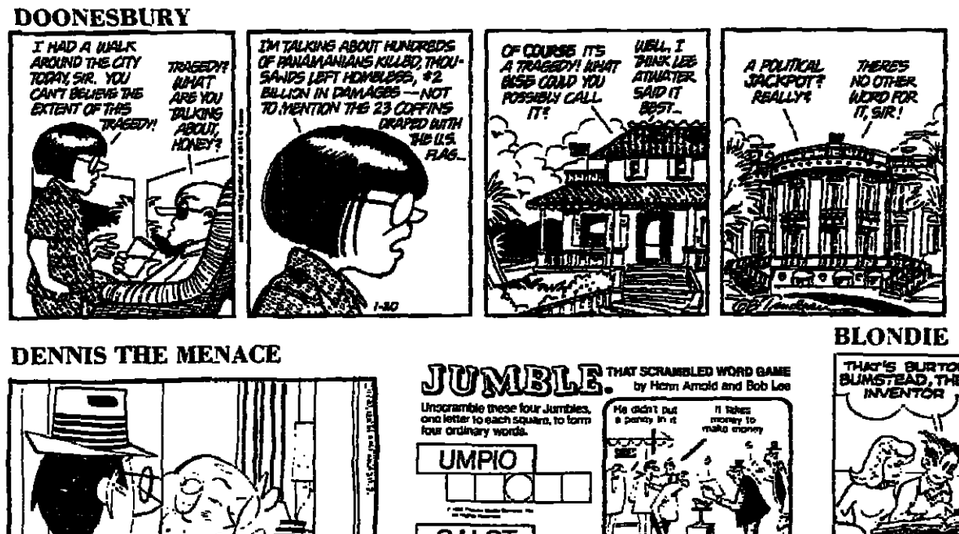
BEETLE BAILEY

ANDY CAPP

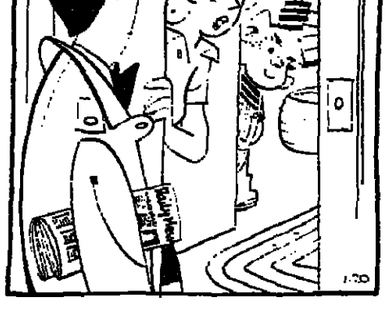
WIZARD of ID

REX MORGAN

DOONESBURY



DENNIS THE MENACE



"GUESS WHO THE DOCTOR DISCOVERED IS ALLERGIC TO CARROTS?"

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

UMPIO

GALOT

HYNDIG

BLATOC

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: A _____ "_____" (Answers Monday)

Yesterday's Jumbles: ELATE CIVIL TUMULT DETAIN
Answer: What a siesta is—A MATINEE "IDLE"

BLONDIE

GARFIELD

SPORTS

Rugby's Big Eight

Last 10 tests among the eight

	W	D	L	Tries
1. New Zealand	9	1	0	44
2. England	6	1	3	20
3. France	6	0	4	27
4. Australia	4	1	5	24
5. Scotland	3	1	6	17
6. Wales	2	0	7	9
7. Argentina	2	1	7	6
8. Ireland	2	0	8	12

Last test (Nov. 18): Ireland 6, New Zealand 23

FIVE-NATIONS SCHEDULE

Jan. 20
England vs. Ireland at Twickenham
Wales vs. France at Cardiff
Feb. 3
France vs. England at Paris
Ireland vs. Scotland at Dublin
Feb. 17
England vs. Wales at Twickenham
Scotland vs. France at Edinburgh
March 3
Wales vs. Scotland at Cardiff
France vs. Ireland at Paris
March 17
Scotland vs. England at Edinburgh
March 31
Ireland vs. Wales at Dublin

Battle Lines Drawn Among Europe's Bumblers

By Bob Donahue
International Herald Tribune

PARIS — The big matches will come later, but listening to the rugby chatter you could think the big ones were this weekend. This year's pre-Five Nations fretting has been shriller than usual. Blame it on New Zealand.

Confidence is shaky or nil in all four of the camps engaged this Saturday. The captains of England, France and Wales have been carrying on about how vital an opening-day victory is to their teams' futures. Irish supporters plead for a close defeat instead of a rout.

England hosts Ireland while the French visit Wales. This year it's Scotland's turn to sit out the first Saturday.

Everybody knows that England and France start as this year's favorites, with Scotland the likeliest dark horse. Whatever happens on day one, England's visit to Paris on day two will be critical. So may prove to be the French and English matches in Edinburgh on days three and five.

But New Zealand's glaring domination of world rugby has left the European powers feeling like bumblers. And if you lose to a bumbler, what does that make you? Defeat of one European team by another thus becomes a calamity for the loser.

The English have easily beaten Ireland three times since March 1988, yet Will Carling, the captain, calls their opening match "the crunch." The team's entourage appears to regard defeat by Ireland as unthinkable.

Perhaps sensing fragility in this anguish, John Mason wrote the other day in The Daily Telegraph: "There have been so many false dawns in recent English rugby history that it is tempting to turn over and ignore the clang of the alarm clock."

England hasn't won a Five Nations title since 1980. Its problem has been an inability to score tries. It totaled only 44 tries in its 40 tournament matches during the '80s. France had 83 tries, Scotland 69, Wales 51 and Ireland 49.

Last year, France managed 11 tries and England a mere four. Still, the French had an off day in suburban London, and England powered to an 11-0 victory. The English drew with Scotland and lost to Wales, but France beat Wales

FIVE NATIONS RUGBY

heavily, 31-12, and also beat Ireland and Scotland. So the French finished first, with Scotland and England sharing second place.

That was France's fourth consecutive title. Suddenly now the talk is that the team may be scrapped, its veterans dismissed in disgrace, if it dares to lose in Cardiff. The notion that young Wales might just have one of those inspired days when everything goes right, that an upset could transpire without necessarily changing the course of world history, seems to be heresy.

Worries about violence on the field in Cardiff may contribute to this up-tightness. Gerald Davies, a former Welsh great, writes disapprovingly of punk-style intimidation in some Welsh play. "So many in their midst sport such short-cropped hair, exposing thick necks and something on the rough side of designer stubble, that they resemble a colony of renegade offenders on day release from a Peckinpah movie."

"We're not going to Cardiff to listen to Vivaldi," is how Jean-Baptiste Lafond previews the tough western in store. His own role is all the harder because he stands in for Europe's biggest star, Serge Blanco, who is out with torn groin tissue.

Other familiar names missing for one reason or another: Dean Richards and Chris Oti for England, Donal Lenihan and Paul Dean for Ireland, Robert Norster and Bleddyn Bowen for Wales, Franck Mesnel for France.

Mesnel was passed over because his Paris club, Racing Club de France, had suspended him for an unauthorized trip to play in a rugby festival in Uruguay. Uruguay? Well, the sport's governing body, the International Board, claims to discern organized rugby in more than 100 countries.

The secretary of England's establishment, the Rugby Football Union, reports in a letter to The Times, referring to England's match against Ireland, that "television coverage has been purchased from the RFU by 48 countries around the world." Dudley Wood continues: "The 1991 rugby World Cup is in serious danger of being one of the largest sporting events ever held in this country."

The second World Cup will be staged in October and November next year in Britain, Ireland and France. The first, held in Australia and New Zealand in 1987, was won by New Zealand. The All Blacks have continued unbeaten since then, often winning big. The scores in their three matches with Wales, for example, have been 52-3, 54-9 and 34-9.

So there is anxiety in Europe at the prospect of World Cup humiliation before the home fans. The fact is, none of the national teams is confident any longer in its ability to play well. And the strain of waiting to come good is getting on their nerves.

Not Quite the Olympics

Commonwealth Games Hope for Rebirth

The Associated Press

AUCKLAND, New Zealand — It's not exactly the Olympics, but for 57 nations from mighty Canada to the two-man Falkland Islands team, the Commonwealth Games represent the sporting pinnacle of 1990.

Starting Wednesday, more than 3,000 athletes will compete in 10 official and two demonstration sports ranging from track and field, swimming and boxing competitions to less-publicized events such as lawn bowling, shooting and judo.

Free of the wounding political boycott and financial setbacks that dogged the last Commonwealth Games in Edinburgh, four years ago, organizers say the 11-day Auckland jamboree will be a crucial test of the event's viability.

"It is absolutely vital that these should be a good and well-attended games," said the Commonwealth Games Federation secretary, David Dixon. "Otherwise, there is certainly a threat to the Games' future."

"Supposing the Auckland Games are a dismal sporting spectacle. We know we are safe in 1994 when the Games are in Victoria (Canada) and could probably redeem the event. But after that, there could be a serious problem."

Dixon said the opposite scenario was more likely, however.

"I believe this could be a turning point for the Commonwealth Games," he said. "We have the best athletes from every Commonwealth nation and have achieved a quiet political climate and a great measure of understanding among Commonwealth leaders."

At Edinburgh, 32 of the expected 58 nations stayed away to protest the British government's refusal to impose economic sanctions on South Africa.

The boycott, which hit sponsorship, attendance and other fund-raising activities, left organizers with a $6 million loss.

When anti-apartheid campaigners lobbied black African states to protest this winter's unofficial English cricket tour to South Africa, a similar mass walkout was feared for the Auckland Games.

But, Dixon said, great diplomatic efforts were made by high-ranking Commonwealth and New Zealand government officials to stave off another boycott.

"They told African countries that whatever their complaints about a British tour to South Africa — and sadly it is usually British tours that cause the problem — it wouldn't help by boycotting the Commonwealth Games," Dixon said.

Nevertheless, Dixon said, next week's Games were in dire trouble financially — until recently.

"The reason was lack of American sponsorship," he said. "If you can offer an event to the U.S. domestic television market, like the Olympics can, you have no problems. But it's very hard to sell any sport to American TV when there is no American taking part."

AFP

Most interest has centered on Sebastian Coe's bid to end his glittering track career with a pair of gold medals in New Zealand.

To help the event absorb its running costs, Dixon said, the New Zealand government has given a guarantee that it will provide up to $14.4 million to meet any shortfall.

"Without that support, we could have been in terrible trouble," Dixon said. "The Games probably would have taken place in a very reduced form."

Although little more than 50 percent of tickets so far have been sold, organizers expect major events to be sold out, reflecting New Zealand's traditional habit of rushing for seats just before the start of a sports event.

Most interest in the days leading up to Wednesday's opening ceremony — expected to be watched by a television audience of 300 million — centered on Sebastian Coe's bid to end his glittering track career with a pair of Commonwealth Games gold medals.

The 33-year-old Briton, double 1,500-meter Olympic champion and 800-meter world record holder, retires after the Games to concentrate on politics and already is being besieged by reporters as he prepares for his big-race farewell.

Coe, running for England, was out training in the rain within 12 hours of his arrival here but was protected from the world's sporting press by the team management.

Most delegations already have arrived in Auckland, including the Kenyans, whose team selection sent shock waves through African athletics.

Top stars like the 800-meter Olympic champion, Paul Ereng, and the world steeplechase record holder, Peter Koech, were left behind after failing to compete in their national trials.

But the Kenyan team manager, Sam Macharia, said their absence had not diminished the quality of the squad, which eager to make up for the disappointment of missing the Edinburgh Games.

"Quite a number of our guys are young, new names and I'm sure they will do well," he said.

The Auckland games are especially important for Canada, taking part in its first multi-sport event since the 1988 Seoul Olympics and the Ben Johnson drug scandal.

"It's a chance to show the country we can do well without performance-enhancing drugs," swimmer Tom Ponting told the Toronto Star. "It gives us a chance to emerge from the shadow of Seoul."

Attention was not only focused on the big boys.

Two runners from the Falkland Islands will be competing for the first time. Peter Biggs and William Goss have no previous international experience and used a makeshift running track on the islands' airport runway to train for the 10,000 meters.

Dixon said such teams illustrated the lure of the Commonwealth Games, criticized by some as an anachronism.

"We have a spread of nations that goes even wider geographically than the Olympics," Dixon said. "Some of our 65 members don't even have an Olympic committee. We don't preserve the Games for the sake of world sport. We continue them because the Commonwealth nations want us to."

Michigan Clambers Past Ohio State Despite 17 Turnovers

The Associated Press

The patience of reserve Demetrius Calip helped sixth-ranked Michigan make order out of chaos Thursday night. Enough to win, at least.

Calip scored 12 of his 19 points in the second half as Michigan, despite 17 turnovers, held on for a 90-88 Big Ten college basketball victory over Ohio State in Ann Arbor, Michigan.

COLLEGE BASKETBALL

"Calip did a great job for us," the Michigan coach, Steve Fisher, said. "He provided us a spark, both physically and emotionally, when we needed it. He really came through."

It was the third game in six days, all victories, for the Wolverines (13-2), who shot only 44 percent. The Buckeyes (8-6) shot 47 percent.

Ohio State, starting two freshmen, two sophomores and a junior, was led by Perry Carter with 29 points, 21 in the second half.

Michigan had five players — four starters, plus Calip — in double figures and led 47-46 at halftime, with Loy Vaught scoring 13 of his 17 points.

But Ohio State opened the second half with an 18-10 burst and led 64-57 with 14:22 left to play.

A basket by Calip tied it at 68-68 with 9:47 left and a three-point basket by Sean Higgins completed a 7-0 run and gave the Wolverines a 71-68 lead with 9:25 remaining.

No. 1 Kansas 132, Elizabeth City State 65: The Kansas coach, Roy Williams, tried to get out of this game, which was scheduled by his predecessor, Larry Brown. But he relented when he learned that the $14,000 guarantee constituted half of Elizabeth City's athletic budget.

Eight Jayhawks scored in double figures, led by Terry Brown's 19 points in Lawrence, Kansas. Kansas (19-0) burst to an 18-0 lead and scored the second-most points in its history. It also was the second-biggest winning margin in school history.

Elizabeth City is 1-12.

No. 7 Illinois 73, Michigan State 64: Marcus Liberty scored 26 points, including two free throws that started a rally-killing 14-2 second-half run for the Illini in Champaign, Illinois. The Illini (13-2) led 49-33 with 13 minutes remaining, but the Spartans (14-3) went on a 21-8 run that cut the deficit to 57-54 with seven minutes remaining.

No. 9 UNLV 103, UC-Irvine 67: Larry Johnson scored 20 points and David Butler 17 for UNLV (12-3), which made 14 three-point goals to spark an 18-2 run in the first half and a 20-4 streak in the second half in Las Vegas.

No. 10 Louisville 109, Tulane 96: LaBradford Smith scored seven points in just under three minutes in New Orleans.

No. 14 Indiana 83, Iowa 79: Eric Anderson scored 18 points, including two free throws that put Indiana ahead to stay, and Pat Graham hit a critical three-pointer.

Hundreds of Fans Join Players in Brawl

The Associated Press

GREENSBORO, North Carolina — What began as a shoving match between players during a rebound escalated into a full-scale brawl involving hundreds of fans at a college basketball game here between North Carolina Central and North Carolina A&T. Seven people were sent to the hospital.

About 200 spectators rushed onto the floor and fights broke out throughout the arena Thursday night after the players shoved one another.

Three people were arrested, the police said.

"Even people from the A&T pep band were fighting," the N.C. Central sports information director, Wallace Dooley, said. "They were hitting people with their instruments. There was general rioting throughout the gymnasium between Central fans and A&T fans."

The 15-minute brawl put an end to the game with 8:04 left in the second half and North Carolina A&T leading, 39-38, against Central, the defending national champions in NCAA Division II.

Seven people — two city police officers, one campus security officer and four students — were treated for cuts and bruises and released, a spokeswoman for Moses Cone Memorial Hospital in Greensboro said.

Greensboro police were called to reinforce North Carolina A&T security officers before the approximately 6,000 fans could be removed from the gym.

More fighting occurred outside the gym, where city police dressed in riot gear responded.

None of the players was reported hurt, although Mike Bernard, the Central coach, had his glasses broken.

"It was very, very scary," said the A&T coach, Don Corbett. "We could have had a full-scale riot. It was a frightening situation."

Dooley said that if the game is resumed, it probably "will be played without any fans."

VANTAGE POINT/George Vecsey

A Thorn in Baseball's Side: Statistics-Based Pay

New York Times Service

NEW YORK — Great baseball weather in the East this week. For the last few days, you could have held a World Series game without needing Bowie Kuhn's long johns. And there wasn't even an earthquake.

The weather was so nice that an inner voice kept saying: "Let's get the Super Bowl over with. Hernandez vs. Mattingly. Mano a mano. Opening day at the stadium, April 3."

But a sour little voice interrupted: "Hey, don't get excited. There might not be any baseball for a while."

That's right. They are talking lockout. Strike. Impasse.

They are talking gaping void, even though baseball has a new television contract with so many zeros in it that a befuddled journalist isn't sure if they are talking Italian lire or Mexican pesos or what.

With all that money in the pipeline, management and labor are negotiating a new contract. The word is that camps won't open unless it's a done deal.

There is talk of revenue-sharing, which recognizes that the owners and the players are part of the same profitable and specialized business, and not some kind of '30s Depression labor war. A latter-day John Steinbeck will never write "The Grapes of Walt Terrell."

Revenue-sharing was accomplished by Larry O'Brien, David Stern and Larry Fleisher in the National Basketball Association early in the 1980s, so baseball is only a decade behind.

But before they can discuss the cut, the owners have come up with a perfectly dreadful proposal.

The owners say they want to put a statistics-based pay scale into the next contract. If enacted, it could lead to the following scenario:

Late in the season, close game, runner on second base, and Big Sluggo surprises everybody by laying down a perfect bunt for a base hit. The burden of driving in the run now rests on the next hitter, Little Twiggy.

Why has Big Sluggo abdicated his responsibility? Because he needs a base hit to get into the .270 category and qualify for a pay scale raise.

As the ball settles on the infield grass, Big Sluggo's manager punches the dugout wall in rage. Big Sluggo's agent whips out the old pocket calculator.

Big Sluggo's owner says: "Drat! That single will cost us $10,000 in a pay scale raise." The fans who know the game can only boo.

Statistics have been wielded shamelessly by all sides over the years. In the bad old days, owners of last-place teams would try to cut the salaries of their best pitchers for not winning 20 games or their best hitters for not driving in 100 runs.

When free agency came around, an arbitrator might base his decision on the home-run totals of a Dave Kingman, never hearing the thud of pop-ups falling all around a clumsy slugger.

The players also have themselves to blame for this pay scale business. In the giddy rush of free agency, they built all kinds of statistical incentives into their contracts, producing documents that outweigh the Manhattan telephone book.

As a result, one manager is weighing whether to remove his starting pitcher, who has a complete games clause, to bring in his long-relief pitcher, who has an innings clause, or his relief pitcher, who has a saves clause.

Meanwhile, the other manager is debating whether to use a batter who has an at-bats clause, or his ace pinch-hitter, who has a runs-batted-in clause, or an aging slugger who has a home-runs clause.

Don't think this doesn't happen, or that players and agents don't throw subtle little hints late in the season.

One executive who has avoided incentive contracts is Frank Cashen of the Mets. His theory is: "You pay X dollars for the season, then you pay extra money if he has a good year, and then at the next contract, the player says, 'Hey, I did all these things.'"

However, Cashen said, he likes the pay scale proposal, although "it's not a perfect system."

One of the new Mets, Mike Marshall, who has taken part in the players' committee, said: "Both sides are talking, and we're not ruling anything out, but I see problems with some statistical plan."

"A hitter might be in a ballpark that averages fewer runs. How do you measure the American League, which has a designated hitter?"

The answer is, you don't. Can you imagine trying to inflict a statistical pay scale on the late Jim Gilliam, who gave up hundreds of good pitches in his career to allow Maury Wills to steal second base?

The real issue is that the owners have been looking bad (yet making more money) since free agency began. They want control again. They are issuing a cry for help: Stop us before we spend again. There must be some way to help these poor helpless giants run their business and not sabotage the season. There must.

And by the way, shouldn't Bowie Kuhn's long johns be in the Hall of Fame?

2 More Pitchers Earn $2 Million

The Associated Press

NEW YORK — Tim Burke and Scott Garrelts became $2 million-a-year pitchers Thursday as they settled their arbitration cases before Friday's exchange of figures.

Burke agreed to a three-year, $6.3 million contract with Montreal and Garrelts agreed to a three-year $6.2 million deal with San Francisco. The Expos were expected to announce Friday that first baseman Andres Galarraga has agreed to a three-year deal worth about $6.5 million.

Players and clubs in arbitration will swap salary arbitration figures on Friday. Will Clark of San Francisco probably will submit a record figure of $2.5 million or more. Other notable players in the process are Jose Canseco, Mark McGwire, Bo Jackson, Benito Santiago, Ruben Sierra and Paul Molitor.

The record figure of $2,425,000 was submitted by Orel Hershiser, who later agreed to a three-year deal with the Los Angeles Dodgers for $7.9 million. Most players will settle before their hearings.

Pitcher Ken Howell and Philadelphia agreed Thursday to a three-year deal for $4.75 million, and shortstop Jose Uribe and the Giants agreed to a three-year contract for $3.85 million.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division	W	L	Pct	GB
New York	26	11	.703	—
Boston	22	14	.611	3½
Philadelphia	20	16	.556	5½
Washington	14	24	.368	12½
New Jersey	12	25	.324	14
Miami	9	28	.231	18
Central Division				
Detroit	25	13	.658	—
Chicago	24	13	.649	½
Indiana	22	16	.579	3
Milwaukee	21	16	.568	3½
Atlanta	18	17	.514	5½
Cleveland	16	19	.457	7½
Orlando	10	27	.270	14½

WESTERN CONFERENCE

Midwest Division	W	L	Pct	GB
San Antonio	24	10	.706	—
Utah	24	11	.686	½
Denver	22	17	.564	4½
Dallas	17	20	.459	8½
Houston	17	20	.459	8½
Charlotte	8	27	.229	16½
Minnesota	7	29	.194	18
Pacific Division				
L.A. Lakers	27	8	.771	—
Portland	26	11	.703	2
Phoenix	20	14	.588	6½
Seattle	18	18	.500	9½
L.A. Clippers	17	19	.472	10½
Golden State	16	20	.444	11½
Sacramento	9	26	.257	18

THURSDAY'S RESULTS

Milwaukee 30 28 38 37—115
Washington 25 19 38 30—112
Pierce 9-15 5-6 25, Sikma 6-13 7-9 19; King 6-22 6-7 18, Eackles 17-33 1-2 37. Rebounds: Milwaukee 46 (Sikma 8), Washington 63 (Walker 12). Assists: Milwaukee 23 (Humphries, Robertson 5), Washington 28 (Walker 9).

Golden State 26 27 23 29—107
Chicago 37 22 37 26—122
Marciulionis 11-20 4-5 27, Richmond 8-19 4-5 23; Jordan 17-30 7-7 44, Grant 8-12 3-3 19. Rebounds: Golden State 49 (Hardaway 7), Chicago 64 (Jordan 12). Assists: Golden State 24 (Hardaway 14), Chicago 42 (Paxson 10).

Charlotte 25 26 27 25—118
Denver 25 26 23 32—106
Tripucka 10-20 7-8 28, Gilliam 8-11 6-9 22; English 14-23 6-8 28, Rasmussen 6-13 6-6 18. Rebounds: Charlotte 53 (Gilliam 10), Denver 55 (Lane 13). Assists: Charlotte 27 (Bogues 10), Denver 25 (Lever 9).

Minnesota 25 24 29 18— 96
Phoenix 34 25 21 23—103
Mitchell 10-18 2-4 22, Campbell 9-17 3-5 21; Chambers 10-15 7-7 27, K. Johnson 7-12 6-8 20. Rebounds: Minnesota 62 (Murphy 14), Phoenix 41 (M.West, Lang 6). Assists: Minnesota 31 (Forbes, Richardson 5), Phoenix 31 (K.Johnson 17).

Seattle 18 28 25 24— 95
L.A. Clippers 35 24 17 29—105
McDaniel 14-24 2-4 30, Borras 7-11 0-0 17; Smith 8-15 5-7 21, Norman 15-21 5-8 35. Rebounds: Seattle 47 (McDaniel, McKey 8), Los Angeles 53 (Benjamin 14). Assists: Seattle 23 (Threatt 6), Los Angeles 31 (Grant 21).

Selected College Scores

EAST

Army 65, Fairfield 62
Penn St. 74, Massachusetts 71
Robert Morris 87, Fairleigh Dickinson 85
Rutgers 90, George Washington 82
Siena 79, Iona 59
St. Francis, Pa. 80, Marist 77
Temple 67, Duquesne 43

SOUTH

Ala-Birmingham 80, Va. Commonwealth 59
Bethune-Cookman 78, Howard U. 76
Florida A&M 79, Morgan St. 77
Furman 86, Wofford 65
Louisiana Tech 68, Texas-Pan American 62
Louisville 109, Tulane 96
Miami, Fla. 101, Florida St. 97
N. Carolina St. 61, Wake Forest 57
N.C.-Wilmington 74, Davidson 58
New Orleans 89, SW Louisiana 87
VMI 95, Radford 64
Virginia Tech 91, Old Dominion 83

MIDWEST

Cincinnati 68, Morehead St. 61
Evansville 59, Xavier, Ohio 51
Illinois 73, Michigan St. 64
Indiana 83, Iowa 79
Kansas 132, Elizabeth City St. 65
Marquette 84, Detroit 70
Michigan 90, Ohio St. 88
Minnesota 97, Northwestern 75
N. Illinois 68, Valparaiso 59
S. Illinois 62, Indiana St. 60
St. Louis 95, Dayton 69
Wichita St. 60, Tulsa 59

SOUTHWEST

Ark.-Little Rock 65, Mercer 48
Arkansas St. 93, Lamar 74
Oklahoma St. 92, S. Utah 68

FAR WEST

Boise St. 46, Montana 44
Brigham Young 64, Air Force 56
California 74, Southern Cal 60
Fullerton St. 90, Long Beach St. 79
Hawaii 66, Texas-El Paso 59
Idaho 92, Nevada-Reno 73
Oregon 65, Washington 54
Oregon St. 79, Washington St. 64
San Diego St. 78, New Mexico 62
Stanford 87, UCLA 79
UNLV 103, UC Irvine 67
Wyoming 98, Utah 87

TRANSACTIONS

BASEBALL
American League

CHICAGO—Agreed to terms with Dan Pasqua, outfielder, on one-year contract.

KANSAS CITY—Agreed to terms with Kurt Stillwell, shortstop, on one-year contract. Signed Bill Wilkinson, pitcher.

MILWAUKEE—Agreed to terms with Mike Felder, outfielder, on one-year contract.

OAKLAND—Named Walter J. Haas president and chief executive officer.

National League

ATLANTA—Agreed to terms with Andres Thomas, shortstop, on one-year contract.

CINCINNATI—Agreed to terms with Ron Robinson, pitcher, on one-year contract. Named Julian Mack director of scouting. Signed Chris Brown, third baseman, to minor league contract.

LOS ANGELES—Agreed to terms with Jeff Hamilton, third baseman, on one-year contract.

MONTREAL—Agreed to terms with Tim Burke, pitcher, on three-year contract.

PHILADELPHIA—Signed Ken Howell, pitcher, to three-year contract, and Randy Ready, infielder-outfielder, and Jason Grimsley, pitcher, to one-year contracts.

SAN FRANCISCO—Agreed to terms with Jose Uribe, shortstop, and Scott Garrelts, pitcher, on three-year contracts, and Mike LaCoss, pitcher, on two-year contract.

BASKETBALL
National Basketball Association

PORTLAND—Signed Nate Johnston, forward, to second 10-day contract.

FOOTBALL
National Football League

PRO BOWL—Added John Elway, Denver quarterback, and Mike Johnson, Cleveland linebacker, to the AFC squad and Pat Swilling, New Orleans linebacker, and Brent Fullwood, Green Bay running back, to the NFC squad.

HOCKEY
National Hockey League

EDMONTON—Traded Todd Charlesworth, defenseman, to N.Y. Rangers for future considerations. Assigned Ivan Matulik, right wing, to Phoenix, International Hockey League.

COLLEGE

ARKANSAS STATE—Chris Dillard, guard, left the basketball team.

MARQUETTE—Joe Neffen and Bruce Hayes, basketball players, declared academically ineligible.

MARSHALL—Named Jim Donnan football coach.

TENNIS

MEN'S SINGLES
Third Round

Simon Youl, Australia, def. Thomas Muster (15), Austria, 3-6, 6-4, 6-3, 6-2; Ivan Lendl, Czechoslovakia (1), def. Karel Novacek, Czechoslovakia, 6-4, 3-6, 6-4, 6-1; Yannick Noah, France (12), def. Gilad Bloom, Israel, 6-3, 6-3, 6-3; Pete Sampras, U.S., def. Todd Woodbridge, Australia, 7-5, 6-4, 6-2; Andres Gomez, Ecuador (9), def. Michael Stich, West Germany, 6-4, 6-3, 3-6, 7-6 (7-2); Andrei Cherkasov, Soviet Union, def. Jean Fleurian, France, 6-4, 6-4, 7-5; Mikael Pernfors, Sweden, d. Henri Leconte, France, 6-1, 6-4, 6-3.

WOMEN'S SINGLES
Third Round

Steffi Graf (1), West Germany, def. Leila Meskhi, Soviet Union, 6-4, 6-1, Raffaella Reggi (13), Italy, def. Anke Huber, West Germany, 7-5, 4-6, 6-4; Patty Fendick, U.S., def. Jana Novotna (5), Czechoslovakia, 1-6, 7-6 (7-5), 6-4; Barbara Paulus (16), Austria, def. Elizabeth Smylie, Australia, 6-4, 6-3; Kimiko Date, Japan, def. Pam Shriver (11), U.S., 6-4, 6-3; Katerina Maleeva, Bulgaria (9), def. Nicole Jagerman, The Netherlands, 6-0, 6-4; Helena Sukova, Czechoslovakia (4), def. Sarah Loosemore, Britain, 6-3, 4-6, 6-3; Rachel McQuillan, Australia, def. Helen Kelesi (8), Canada, 6-2, 7-6 (7-4).

CRICKET

Australia vs. Pakistan
(In Adelaide, Australia. Test 2, Day 1)
1st Innings: Pakistan 257 (all out); Australia 10-0.

HOCKEY

NHL Standings

WALES CONFERENCE

Patrick Division	W	L	T	Pts	GF	GA
New Jersey	22	21	4	48	187	186
NY Islanders	22	21	4	48	169	168
Pittsburgh	21	21	4	46	191	198
NY Rangers	18	21	9	45	152	161
Philadelphia	18	23	7	43	171	182
Washington	19	24	4	42	161	173
Adams Division						
Boston	27	16	5	59	172	141
Buffalo	25	15	6	56	159	144
Montreal	24	19	6	54	159	145
Hartford	21	21	4	46	158	161
Quebec	9	31	6	24	148	216

CAMPBELL CONFERENCE

Norris Division	W	L	T	Pts	GF	GA
Chicago	36	17	4	56	192	174
Toronto	25	22	1	51	212	214
Minnesota	22	24	3	47	164	179
St. Louis	20	21	6	46	165	161
Detroit	16	25	6	38	165	185
Smythe Division						
Edmonton	24	15	9	57	187	156
Calgary	22	15	12	56	199	164
Winnipeg	22	19	5	49	161	168
Los Angeles	21	21	5	47	209	195
Vancouver	14	26	8	36	142	172

THURSDAY'S RESULTS

Vancouver 1 1 0 1—3
Philadelphia 1 1 0 0—2
Benning (3), Bazak (4), Quinn (11); Craven (18), Murphy (7). Shots on goal: Vancouver (on Wregget) 13-9-5-1—28; Philadelphia (on McLean) 6-6-12-3—27.

N.Y. Rangers 1 2 0 0—3
Pittsburgh 1 1 1 0—3
Dahlen (8), Kisio (2), Sandstrom (19); Bourque (14), Lemieux 2 (34). Shots on goal: New York (on Barrasso) 8-13-5-3—29; Pittsburgh (on Richter) 9-8-15-3—35.

Calgary 1 1 0 0—2
Boston 0 1 1 0—2
Nieuwendyk (36), MacInnis (17); Neely (33), Janney (10). Shots on goal: Calgary (on Lemelin) 4-12-7-1—24; Boston (on Vernon) 10-8-11-1—30.

Quebec 0 2 2—4
Minnesota 0 5 2—7
Stastny (17), Sakic (26), Ciralla (4), Lawton (7); Barber (3), A.Broten (11), Mackey 2 (2), Modano 2 (20), Gartner (27). Shots on goal: Quebec (on Takko) 9-8-12—29; Minnesota (on Millen) 13-21-10—44.

Toronto 2 1 1—4
St. Louis 0 1 0—1
Thibaudeau (7), Kurvers (9), S.Pearson (3), Clark (18); Hull (42). Shots on goal: Toronto (on Riendeau) 12-6-9—27; St. Louis (on Reese) 12-10-16—49.

Detroit 1 2 1—4
Los Angeles 3 1 3—9
Adams (3), Shank (5), Habscheid (11), Carson (17); Miller (5), Gretzky 2 (27), Robitaille 2 (35), Duchesne (13), Makela (7), Krushelnyski 2 (9). Shots on goal: Detroit (on Hrudey) 7-8-12—27; Los Angeles (on Hanlon, St. Laurent) 16-7-22—45.

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POSTCARD

The Mission Inn Reborn

By Robert Reinhold
New York Times Service

RIVERSIDE, California — Riverside gave the world the navel orange, but not even the fruit has defined this locality like the Mission Inn, the phantasmagorical hotel created by Frank Augustus Miller.

With its ornate beamed rooms, great courtyards with curved gables, campaniles, mosaics and stained glass windows, the inn has been host to the prominent from near and far since the turn of the century.

The Nixons were married there and spent their wedding night there in June 1940, as did the Reagans nearly 12 years later. Theodore Roosevelt was one of the earliest guests, overnighting on May 7, 1903.

Now, after years of decay, decline and bankruptcies, the grand old hotel, shuttered and fenced off since 1985, is coming back to life under its latest owner. The owner is a reluctant one, the Chemical Bank of New York.

The bank seized the property after the Carley Capital Group, a Wisconsin-based syndicator, collapsed in 1988 just before it was to conclude restoration on the Mission Inn and reopen it as an Omni hotel.

The bank decided to throw more good money after bad and finish the restoration. The huge complex is abuzz with jackhammers and drills. The furnishings are arriving for a reopening in the fall, two years late. It is the ultimate fixer-upper, 320,000 square feet (about 30,000 square meters) of rooms, corridors, catwalks, loggias, alcoves and pergolas, with 750 doors and 450 windows that had to be replaced or repaired.

□

Reopening cannot come too soon for Riverside, a city of about 200,000 people 60 miles (100 kilometers) east of Los Angeles. The big Spanish mission-style structure dominates the downtown section.

"It is the centerpiece of our whole downtown redevelopment, physically, architecturally, economically and culturally," said Margarita S. Gulati, director of Riverside's development department. "It is the thing Riverside is known for nationally. It is a magnet for other development in the area. It will bring people back downtown."

The inn is the kind of thing only the early California entrepreneurs could bring off. Frank Miller traveled the world and brought back ideas for expanding the inn over three decades, building four wings, each more spectacular than the last. No two rooms are the same.

The styles evoke medieval castles, Spanish missions, Moorish palaces, Gothic cathedrals.

The Court of the Birds has fountains and a pool. The Music Room is a dark cavern with great oak beams. Then there are the St. Francis of Assisi chapel, with an 18-foot-tall (5.5 meters) gold leaf altar, four Tiffany windows and three Tiffany mosaics; the International Rotunda, with its spiral staircase and grand arches, and an octagonal wedding suite under a tall dome on the roof with splendid views of the San Bernardino Mountains.

□

Old-timers recall the parties, weddings and New Year's parties. A long slow decline started after Miller's death in 1935. The coup de grace was the Carley collapse.

The Chemical Bank, holder of \$27.3 million in mortgages, consulted with the city; the New York bankers decided that they would lose less by finishing the inn — and they pumped in \$9 million more.

As an inducement to the Chemical, says Ralph J. Megna, the inn's project manager for the Riverside development department, the city forgave part of a loan for seismic reinforcement. The hotel is situated very near the San Andreas fault.

The city has put together a \$4.7-million financing package and built a 524-car garage to be leased to the new owner of the Mission Inn at below-market rates for three years.

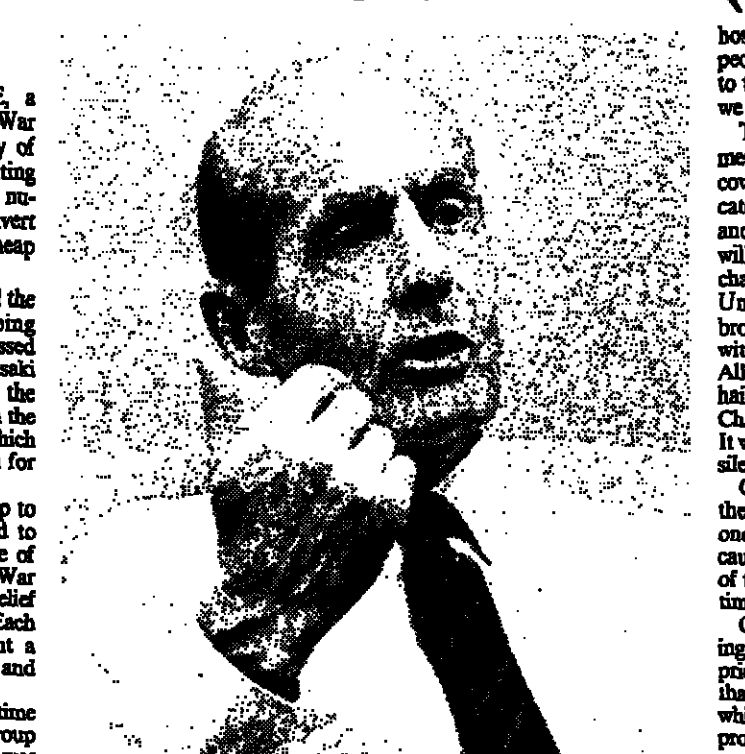
The inn, designated a National Historic Landmark in 1977, will include a museum for Miller's Asian and European art.

The hope is that the inn will regain its status as a winter resort — a "destination" hotel, a place where people go to be there, not just to bed down for the night. The Chemical Bank is looking for a buyer.

But will vacationers will find downtown Riverside a congenial destination? Indeed, the city already has a less desirable regular guest: smog and auto fumes that drift in from Los Angeles and are trapped here between two mountain ranges. The thick, soupy haze can last for weeks.

Swords Into Plowshares (1990)

By Barry James
International Herald Tribune



Cheshire: Trying to pass on the blessings of survival. Reuters

LEONARD CHESHIRE, a British hero of World War II, is about to take delivery of several tons of metal resulting from the scrapping of Soviet nuclear missiles. He plans to convert the metal into 100 million cheap ballpoint pens.

Cheshire, who commanded the British Dambusters bombing squadron in 1943 and witnessed the atomic bombing of Nagasaki as an official observer, says the Soviet government made him the free offer for the missiles, which will be used to generate cash for disaster relief.

Back in London after a trip to Moscow, he said he planned to put the profits from the sale of the pens toward the World War Memorial Fund for disaster relief that he set up last year. Each numbered pen will represent a life lost in World War II and subsequent conflicts.

Still known by his wartime Royal Air Force rank of group captain, Cheshire — who was awarded the Victoria Cross, Britain's highest military decoration for bravery — has spent much of his subsequent career setting up a network of 270 homes for young handicapped and disabled people in 49 countries.

The missile offer was made when Cheshire went to Moscow to establish one of the homes. The idea came from the Soviet side after he asked for help with the disaster fund.

"In 41 years of my doing this kind of work I have never met such a swift response, and I doubt I will again," he said.

The Soviets said they would send metal samples to London next week and invited Cheshire to ask for as much as he needs — either from the discarded missiles themselves or from their launchers. They are likely to have plenty to offer if arms control talks with the United States succeed in halving strategic nuclear arsenals.

Cheshire said in a telephone interview that the Soviet donation alone will suffice to make the 100 million pens, but that he would also like a contribution from the United States because "If we can make a pen that is half Soviet and half American it will have much more symbolism." He has written to Dick Cheney, the U.S. secretary of defense, asking for a similar donation of surplus-to-requirement U.S. missiles, but has so far heard nothing positive.

He says he hopes the initiative will prove that the pen is truly mightier than the sword. Nevertheless, in contradiction to his Soviet hosts, he remained "definitely not in favor" of giving up nuclear weapons altogether.

Cheshire, 72, commanded 617th Bomber Squadron, known as the Dambusters for a daring raid that destroyed dams in the Ruhr Valley and slowed German war production in 1943.

After the war and after witnessing the Nagasaki explosion, Cheshire converted to Catholicism. "I had a general idea that having been blessed with surviving the war I ought to help build a better world — I hope this doesn't sound presumptuous," he said. His quest led him to build homes for young handicapped people, many of them paralyzed in accidents. "I know at least 220 young people in my homes who broke their necks diving," he said. "It's tragic — they go out for an afternoon of of good fun and dive in the wrong end of a swimming pool and break their necks."

His wife of more than 30 years, Sue Ryder, is similarly well-known in Britain for her charity work. A former member of the Polish section of special forces in World War II, she started by setting up homes for concentration camp survivors, later helped establish 35 small hospitals in Poland and 16 in Yugoslavia, and has built a number of homes in Britain for cancer victims.

Cheshire said the situation of young disabled people in the Soviet Union reminds him of Britain when he began his work. There are no special facilities for them, and they end up in the chronic wards of hospitals.

"There is a desperate need," he said. "The Soviets told me that they had never before thought of my idea of a personalized residential home for disabled people, nor that they had ever thought a disabled person could be made a useful member of society. When I went around the rehabilitation hospitals and saw these disabled people, my heart really went out to them. I felt I cannot rest until we get that home going."

The new home, about 30 kilometers (18 miles) north of Moscow, is being built with prefabricated modules made in England and is due to open on Sept. 1. It will be run largely as a private charity, a departure for the Soviet Union. Work on the home brought Cheshire into contact with a fellow war hero, Vladimir Alkhimov, and his partner, Mikhail Kosirev, who run the Soviet Charity and Health Foundation. It was through them that the missile offer was arranged.

Cheshire thought of turning the metal into pens because every one needs a ballpoint, and because people would be reminded of the consequences of war every time they used it.

Cheshire plans to start marketing the pens at the end of June at a price no higher than £7 (\$11.50) so that most people can afford one, while giving the disaster fund a £5 profit on each pen. There will be a more expensive deluxe model, and a super deluxe model for signing peace treaties and the like. He believes he can sell 100 million pens in three years.

Cheshire began the disaster fund last year with the aim of raising at least £5 for each life lost in World War II. With the pen project, he says he hopes the fund will grow to considerably more than the £400 million minimum originally envisaged.

The capital will be kept as a permanent memorial for war victims, he said, while the investment income will be made available to the secretary-general of the United Nations for use in disasters where there is no other ready source of relief. He calls the fund a means of saving lives to remember lives lost in war.

Cheshire, who vows to spend not a penny on promotion or advertising, said that, with scarcely any fund-raising efforts, more than £300,000 in donations already have rolled in. "There has never been a day without money coming in at a rate of several hundred pounds, sometimes several thousand pounds," he said. "And nearly every gift is accompanied by a letter saying it is in memory of a particular person lost in the war."

PEOPLE

Prize for Local Author

The Prince of Wales, who wrote a best-selling book that criticized much of modern architecture as lacking character, was named author of the year at a British awards ceremony. "A Vision of Britain" by **Prince Charles** has been among the top selling books since it was published last year. In the book, the prince said some modern architects replaced the traditions and harmonies of the past with "Frankenstein monsters, devoid of character, alien and largely unloved except by the professors who have been concocting these horrors in their laboratories." Charles's award was accepted on his behalf by **Christopher Martin**, who produced a British Broadcasting Corp. documentary in which the prince guided viewers around some buildings he liked and many he didn't. In a videotaped acceptance speech Charles said: "I was much amused when I heard that the local bookshop in Windsor had a sign over the copies of the book which said 'local' author — not strictly true, but a good idea."

□

Stephen Rubin, the publisher and editor in chief of adult books at Bantam Books, was named president of Doubleday, replacing **Nancy Evans**, who resigned. Evans took over Doubleday & Co. three years ago, shortly after the troubled family-owned house was bought for \$485 million by Bertelsmann AG, the West German publishing conglomerate that also owns Bantam.

□

Michael Moore knew he was tramping on some pretty big toes when he selected the General Motors Corp. and its chairman as foils for the documentary "Roger and Me." But Moore, the former editor of Mother Jones magazine, never dreamed he might also alienate onetime ideological allies, including the United Auto Workers and the dean of GM Motors antagonists, **Ralph Nader**. The widely acclaimed film describes Moore's efforts to persuade GM's chairman, **Roger B. Smith**, to visit Moore's hometown, Flint, Michigan, and inspect the social damage caused by GM's 30,000 layoffs there in the last decade. But since the film came out last month, Nader has written Moore to demand a \$30,000 payment for financial and material support contributed to Moore's projects. Nader said the money would go to a non-profit group that supports journalistic projects. Nader's allies and other critics of GM say they do not like what they see as Moore's monopoly of the spotlight and some distortions in the sequence of events; their feelings have grown more intense as the popularity of the movie increases.

□

One of the world's greatest art museums, New York's Metropolitan, is offering to help one of Europe's least known, the Romanian National, restore a collection damaged by revolution and four decades of Communist rule. **Philippe Montebello**, director of the Metropolitan Museum of Art, met with Romanian cultural officials to assess the damage and said afterward he will try to drum up corporate support to give the Romanians basic materials and equipment. One way to help summon support may be to exhibit at the Met six to eight of the best works from the Romanian collection, which features El Grecos, Van Eycks and French impressionists, he suggested.

□

Looking for a little something to impress the neighbors? The Trump Princess, Mr. What's-His-Name's 282-foot yacht, is on the market for the "sail-away price" of \$115 million. The yacht, which **Donald Trump** bought at a bargain \$29 million two years ago, was originally built by the Saudi financier **Adnan Khashoggi** and boasts 11 suites, two dining rooms, movie theater, operating room, swimming pool and helicopter pad — not to mention the suede ceilings and onyx bathrooms. "It's very tastefully done," says **Jeff Walker**, Trump Organization senior vice president. Trump needs room for his new \$200 million, 420-foot yacht due in the spring of '92.

□

Liz Taylor showed up very briefly at a party in Rome thrown by **Valentino**, the king of Italian couture. The event, at which the couturier showed off to Roman high society the collection he will show in Paris later this month, was to inaugurate a philanthropic enterprise. His newly restored Accademia Valentino, will house art exhibits, concerts and other cultural activities. All proceeds from these events, which will also include private fashion shows, will go to charity, mainly AIDS research.

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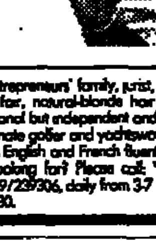

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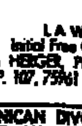

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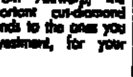

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